

#### 1 BEFORE THE ARIZONA CORPORATION COMMISSION 2 **COMMISSIONERS** Arizona Corporation Commission DOCKETED 3 **BOB STUMP - Chairman GARY PIERCE** 4 APR 1 8 2014 **BRENDA BURNS BOB BURNS** 5 DOCKETED BY SUSAN BITTER SMITH 6 IN THE MATTER OF THE APPLICATION OF DOCKET NO. SW-01428A-13-0042 7 LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP., AN ARIZONA 8 CORPORATION, FOR A DÉTERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES BASED 10 THEREON FOR UTILITY SERVICE. DOCKET NO. W-01427A-13-0043 11 IN THE MATTER OF THE APPLICATION OF LIBERTY UTILITIES (LITCHFIELD PARK 12 WATER & SEWER) CORP., AN ARIZONA DECISION NO. CORPORATION, FOR A DETERMINATION OF 13 THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS 14 WATER RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE. **OPINION AND ORDER** 15 DATE OF HEARING: December 6 and 11 (pre-hearing conferences). 16 9 (public comment and procedural conference), 13, and 16, 2013 17 PLACE OF HEARING: Phoenix, Arizona 18 ADMINISTRATIVE LAW JUDGE: Teena Jibilian 19 20 APPEARANCES: Mr. Jay Shapiro, FENNEMORE CRAIG, PC, on behalf of Liberty Utilities (Litchfield Park Water 21 & Sewer) Corp.; 22 Mr. Daniel W. Pozefsky, Chief Counsel, on behalf of the Residential Utility Consumer 23 Office; and 24 Ms. Robin Mitchell and Mr. Matthew Laudone, Staff Attorneys, Legal Division, on behalf of the 25 Utilities Division of the Arizona Corporation Commission. 26 27

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# BY THE COMMISSION:

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Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

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# **FINDINGS OF FACT**

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#### I. <u>Procedural History</u>

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1. On February 28, 2013, Liberty Utilities (Litchfield Park Water & Sewer) Corp. ("LPSCO" or "Company")<sup>1</sup> filed the above-captioned rate applications with the Arizona Corporation

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Commission ("Commission").

of the applications and hearing.

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2. On March 4, 2013, the Company filed a Motion to Consolidate in each docket.

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3. On March 28, 2013, the Commission's Utilities Division ("Staff") filed a Letter of

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Sufficiency in each docket.

4. On April 12, 2013, a Rate Case Procedural Order was issued, consolidating the

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dockets, scheduling the matter for hearing, setting procedural deadlines, and directing public notice

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5. On May 10, 2013, the Company filed a Request to Correct Notice.

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6. On May 13, 2013, a Procedural Order was issued granting the Company's Request to

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Correct Notice.

Olivia Burnes.

7. On July 19, 2013, the Company docketed a Notice of Filing Certification and Proof of

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Mailing, indicating that public notice of the consolidated applications and the hearing thereon was

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published on June 11, 2013 in the West Valley View, and that notice was mailed to the Company's

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customers on June 11, June 19, June 28, and July 17, 2013.

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8. Between June 26, 2013 and September 26, 2013, seven customer comments were filed opposing the requested rate increases.

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9. Intervention was granted to the Residential Utility Consumer Office ("RUCO"), and

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<sup>1</sup> Following the filing of the application, LPSCO changed its name from Litchfield Park Service Company dba Liberty Utilities to Liberty Utilities (Litchfield Park Water & Sewer) Corp. *See* Hearing Transcript ("Tr.") at 13.

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DECISION NO.

- 10. On September 25, 2013, Staff filed a request that the deadline for filing its testimony be extended to September 27, 2013.
- 11. On September 26, 2013, Staff filed the Direct Testimony of its witnesses Darron W. Carlson, John A. Cassidy, and Dorothy Hains.
- 12. On September 26, 2013, the Company filed Notices of Filing System Improvements Benefits Mechanism Surcharge Projects for both its Water and Wastewater divisions.
- 13. On September 27, 2013, RUCO filed the Direct Testimony of its witness Robert B. Mease.
- 14. On October 4, 2013, RUCO filed the Direct Testimony on Rate Design of Robert B. Mease and Staff filed the Direct Testimony on Rate Design of Darron W. Carlson.
- 15. On October 16, 2013 and October 21, 2013, Staff filed Notices of Errata to the Direct Testimony on Rate Design of Darron W. Carlson.
- 16. On October 23, 2013, the Company filed the Rebuttal Testimonies of its witnesses Christopher D. Krygier, Thomas J.Bourassa, Greg Sorenson, and Wendell Licon.
- 17. On October 29, 2013, the Company filed a Notice of Errata which included its revised Rebuttal Schedule H-3, page 4, which matched the charges being proposed by Staff.
- 18. On November 12, 2013, RUCO filed the Surrebuttal Testimony of its witness Robert B. Mease.
- 19. On November 12, 2013, Staff filed the Surrebuttal Testimonies of its witnesses Darron W. Carlson, John A Cassidy, and Dorothy M. Hains.
- 20. On November 13, 2013, the Company filed a Notice of Errata with a revised Rebuttal Schedule D-1 reflecting its proposed return on equity of 9.70 percent.
- 21. On December 4, 2013, the Company filed the Rejoinder Testimonies of its witnesses Christopher D. Krygier, Thomas J.Bourassa, Greg Sorenson, and Wendell Licon.
- 22. On December 4, 2013, RUCO filed a Notice of Supplemental Filing to update the Surrebuttal Testimony of its witness Robert B. Mease.
- 23. On December 5, 2013, the Company filed witness summaries of its witnesses Christopher Krygier, Thomas J. Bourassa (Rate Base), and Greg Sorenson.

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24. On December 6, 2013, RUCO filed a witness summary of its witness Robert B. Mease.

- 25. On December 6, 2013, the pre-hearing conference convened as scheduled. Company, RUCO, and Staff appeared through counsel and discussed procedural issues associated with the hearing. The parties stated that they were discussing settlement of some issues in the case, and requested that no evidence be presented on the first scheduled day of the evidentiary hearing, December 9, 2014, but that December 9, 2014 be scheduled instead for public comment, followed by an additional pre-hearing conference at which the parties could provide an update of the progress on settling the issues and a proposed date for the hearing to commence.
- 26. On December 9, 2013, the Company filed witness summaries of its Cost of Capital witnesses Thomas J. Bourassa and Wendell Licon.
- 27. On December 9, 2013, the hearing convened for the purpose of taking public comment. Two members of the public appeared and provided public comment, expressing concern with the effects of the Company's requested rate increase on their HOA water bills. Following public comment, a procedural conference was held, with counsel for the Company, RUCO, and Staff attending. The parties stated that they were still working toward a settlement of all issues in the case with the exception of the System Improvement Benefit ("SIB") surcharge mechanisms proposed by the Company and supported by Staff, but not by RUCO. As requested by the parties, the evidentiary hearing was again postponed to an undetermined date, pending another procedural conference to be held on December 11, 2013.
- 28. On December 11, 2013, a telephonic procedural conference convened as scheduled. The Company, RUCO and Staff appeared through counsel. The parties indicated that a Settlement Agreement signed by the Company and RUCO would be filed later that day, and that while Staff did not intend to oppose it, Staff had elected not to be a signatory to the Settlement Agreement, due to timing issues. Staff was directed to file Direct Testimony of a witness regarding the Settlement Agreement. The evidentiary hearing was set to convene on Friday, December 13, 2013, at 1:00 p.m. for the purpose of taking testimony on the Settlement Agreement, and to continue on Monday, December 16, 2013 at 10:00 a.m. for taking testimony on remaining disputed issues.

- 29. On December 11, 2013, the Company filed a Notice of Filing Settlement Agreement, along with a copy of a Settlement Agreement signed by representatives of the Company and RUCO. A copy of the Settlement Agreement is attached hereto as Exhibit A.
- 30. On December 12, 2013, Staff filed the Direct Testimony Regarding Settlement Agreement of its witness James R. Armstrong.
- 31. On December 12, 2013, Staff filed witness summaries of its witnesses Darron W. Carlson, Dorothy M. Hains, and James R. Armstrong.
- 32. On December 13, 2014, the hearing convened before a duly authorized Administrative Law Judge for the taking of evidence on the application. The Company, RUCO and Staff appeared through counsel, presented evidence through their witnesses, and were provided an opportunity to cross examine other witnesses. The hearing concluded on December 16, 2013.
- 33. Prior to the conclusion of the hearing, late filed hearing exhibits A-25 and A-26, consisting of proposed Plans of Administration for the water and wastewater SIB surcharge mechanisms proposed by the Company in this proceeding, were admitted with no objection. The parties were informed that any responsive filings would be due one week following the filing of Exhibits A-25 and A-26.
- 34. On January 3, 2014, the Company filed a Notice of Filing Late Filed Exhibits, to which was attached late filed Hearing Exhibits A-25 and A-26.
- 35. On January 8, 2014, RUCO filed Notice that it had no opposition to late filed Hearing Exhibits A-25 and A-26, and further, that RUCO did not intend to file any testimony regarding late filed Hearing Exhibits A-25 and A-26.
  - 36. On January 17, 2014, the Company, RUCO, and Staff filed Initial Closing Briefs.
- 37. On January 31, 2014, the Company, RUCO, and Staff filed Reply Closing Briefs, and the matter was taken under advisement.
- 38. Due to the delay in commencement of the evidentiary hearing to accommodate the parties' settlement discussions, the timeclock in this matter should be extended to April 9, 2014,

pursuant to A.A.C. R14-2-103(b)(11)(ii).<sup>2</sup>

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#### II. **Background**

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- 39 LPSCO is an Arizona public service corporation that provides water and wastewater utility service to the public in communities within the cities of Litchfield Park, Goodyear, and Avondale, and in adjacent unincorporated areas of Maricopa County in the west Phoenix valley, west of the Agua Fria River and north of Interstate Highway 10. During the test year, LPSCO served 16,802 water customers and 16,161 wastewater customers.
- LPSCO, an Arizona C Corporation, is owned by Liberty Utilities, a Delaware 40. corporation, through its operating subsidiary Liberty Utilities (West). Liberty Utilities' ultimate parent is Algonquin Power & Utilities Corp., a Canadian corporation whose shares are traded on the Toronto Stock Exchange.<sup>3</sup>
  - 41. LPSCO's current rates were approved in Decision No. 72026 (December 10, 2010).
  - 42. The current application is based on a test year ended December 31, 2012.

#### III. **Settlement Agreement Issues**

- LPSCO and RUCO are signatories to a Settlement Agreement in this case. A copy of 43. the Settlement Agreement is attached hereto as Exhibit A. The Settlement Agreement between LPSCO and RUCO resolves all disputed issues in this case, among all parties to the case, with the exception of the SIB issues. While Staff is not a signatory to the Settlement Agreement, Staff participated in preparation of the Summary Schedules attached as Exhibit 1 to the Settlement Agreement, stipulates to the terms of the Settlement Agreement, and recommends that the Commission adopt it.<sup>5</sup>
- For its water division, LPSCO's application requested a revenue increase of 44. \$2,257,160, over adjusted test year revenues of \$11,201,390, or 20.15 percent, for a total revenue

<sup>5</sup> *Id*. at 2.

<sup>&</sup>lt;sup>2</sup> This timeclock extension allows time for satisfaction of the Settlement Agreement's request that new rates become effective on or before May 1, 2014.

According to Algonquin Power & Utilities Corp.'s March 28, 2013 Annual Information Form filed with the U.S. Securities and Exchange Commission, Liberty Utilities is wholly owned by Liberty Utilities (America) Holdco Inc., a Delaware corporation, which is wholly owned by Liberty Utilities (America) Co., a Delaware corporation. Liberty Utilities (America) Co. is a wholly owned subsidiary of Liberty Utilities (Canada) Corp., a Canadian federal corporation, which is in turn wholly owned by Algonquin Power & Utilities Corp.

<sup>&</sup>lt;sup>4</sup> Direct Testimony of Staff witness James Armstrong, Hearing Exhibit ("Exh.") S-1 at 1.

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<sup>6</sup> LPSCO proposed that its original cost rate base ("OCRB") be considered its FVRB.

<sup>7</sup> The differences between these revenue requirement figures and those appearing in the Settlement Agreement Summary Schedules are due to rounding errors, and are de minimus. <sup>8</sup> Id.

requirement of \$13,458,550, and a 9.50 percent rate of return on its proposed fair value rate base ("FVRB")<sup>6</sup> of \$35,647,602. The terms of the Settlement Agreement call for an 8.76 percent rate of return on FVRB of \$33,103,506. This results in a revenue increase of \$1,423,850 over adjusted test year revenues of \$11,201,268, or 12.71 percent, for a total revenue requirement of \$12.625.118.<sup>7</sup>

For its wastewater division, LPSCO's application requested a revenue increase of 45. \$659,088 over adjusted test year revenues of \$10,361,603, or 6.36 percent, for a total revenue requirement of \$11,020,691, and a 9.50 percent rate of return on its proposed FVRB of \$23,877,697. The terms of the Settlement Agreement call for an 8.76 percent rate of return on FVRB of \$24,190,673. This results in a revenue increase of \$342,962 over adjusted test year revenues of \$10,362,796, or 3.31 percent, for a total revenue requirement of \$10.705.758.8

#### **Rate Base** A.

- 46. Water Division. The parties agree that the FVRB for LPSCO's water division is \$33,103,506. Based on the entirety of the record in this proceeding, we find that the FVRB for LPSCO's water division is \$33,103,506.
- 47. Wastewater Division. The parties agree that the FVRB for LPSCO's wastewater division is \$24,190,673. Based on the entirety of the record in this proceeding, we find that the FVRB for LPSCO's wastewater division is \$24,190,673.

#### В. **Operating Income**

- 48. Water Division. The parties agree that the adjusted test year revenues for the water division are \$11,201,268, and adjusted test year operating expenses are \$9,166,122, for test year adjusted operating income of \$2,035,146. Based on the entirety of the record in this proceeding, we determine that the test year adjusted operating income for LPSCO's water division is \$2,035,146.
- 49. Wastewater Division. The parties agree that the adjusted test year revenues for the wastewater division are \$10,362,796, and adjusted test year operating expenses are \$8,451,599, for test year adjusted operating income of \$1,911,197. Based on the entirety of the record in this

division is \$1,911,197.

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proceeding, we determine that the test year adjusted operating income for LPSCO's wastewater

#### **Cost of Capital**

50. LPSCO's actual capital structure at the end of the test year was 15.87 percent longterm debt and 84.13 percent common equity, and the parties recommend adoption of this capital structure. The parties reached agreement on a cost of debt of 6.4 percent and a cost of equity as recommended by RUCO of 9.2 percent, for a weighted average cost of capital of 8.76 percent. We determine that based on the entirety of the record in this proceeding, an 8.76 percent rate of return on FVRB is just and reasonable.

51. Cost of capital summary:

|                                  | Percentage | Cost  | Weighted<br>Average Cost |
|----------------------------------|------------|-------|--------------------------|
| Common Equity                    | 84.13%     | 9.20% | 7.74%                    |
| Long-Term Debt                   | 15.87%     | 6.40% | <u>1.02%</u>             |
| Weighted Average Cost of Capital |            |       | 8.76%                    |

#### D. **Authorized Revenue Increase**

52. Based on our findings herein, we determine that LPSCO is entitled to a gross revenue increase of \$1,423,850 for its water division.9

| Fair Value Rate Base            | \$ 33,103,506 |
|---------------------------------|---------------|
|                                 |               |
| Adjusted Operating Income       | 2,035,146     |
| Required Rate of Return         | 8.76%         |
| Required Operating Income       | 2,898,867     |
| Operating Income Deficiency     | 864,721       |
| Gross Revenue Conversion Factor | 1.6466        |
| Gross Revenue Increase          | \$ 1,423,850  |

Based on our findings herein, we determine that LPSCO is entitled to a gross revenue 53.

<sup>&</sup>lt;sup>9</sup> The differences between these revenue requirement figures and those appearing in the Settlement Agreement Summary Schedules are due to rounding errors, are de minimus, and have no effect upon the rates proposed in the Settlement Agreement, which are set forth in Exhibit F.

increase of \$342,962 for its wastewater division. 10

| Fair Value Rate Base            | \$ 24,190,673 |
|---------------------------------|---------------|
| Adjusted Operating Income       | 1,911,197     |
| Required Rate of Return         | 8.76%         |
| Required Operating Income       | 2,119,103     |
| Operating Income Deficiency     | 207,906       |
| Gross Revenue Conversion Factor | 1.6496        |
| Gross Revenue Increase          | \$ 342,962    |

# E. Rate Design

- 54. The parties are in agreement on rate designs and service charges for the water and wastewater divisions as they appear in the Summary Schedules of the Settlement Agreement. The proposed rate design for the water division includes inverted tiers intended to promote water conservation. The proposed rate design is reasonable and appropriate, and will be adopted.
- 55. Decision No. 72026 approved a low income tariff for LPSCO's water and wastewater divisions.<sup>11</sup> The tariff is designed to allow customers with gross annual household incomes of 150 percent of federal poverty guidelines to receive a discount on their water bills after submitting an application to determine eligibility.<sup>12</sup> In this case, the parties propose a modified low income tariff to reflect an increased discount from 15 percent to 30 percent for eligible customers, and propose that the Company file the modified tariff at the time it files revised schedules of rates and charges as required by this Decision.
- 56. The proposed rate design and modification to LPSCO's low income tariff are reasonable and appropriate, and will be adopted. LPSCO should continue to implement the low income tariff, as modified, in accordance with the guidelines adopted in Decision No. 72026.

# F. Depreciation Rates

57. The parties recommend that LPSCO use the depreciation and amortization rates

<sup>11</sup> Decision No. 72026 at 69-70 and Exhibit A.

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proposed by Staff and contained in Staff's Engineering Report, which are reproduced on the water and wastewater Schedules C-2, page 2 of the Summary Schedules attached as Exhibit 1 to Exhibit A. LPSCO should be directed to use those depreciation and amortization rates on a going forward basis.

#### Off-Site Facilities Water Hook-Up Fee Tariff G.

58. The Company's current water division off-site facilities hook-up fee tariff does not include tariffed fees for meter sizes 6 inches and larger. The Settlement Agreement shows tariffed hook-up fees for 6, 8, 10, and 12 inch meter sizes on water division Schedule H-3, page 5. Staff recommends approval of the fees, and that LPSCO be required to file a new off-site facilities hook-up fee tariff in conformance with Figure 7 of the Staff Water Engineering Report, attached to the Direct Testimony of Staff witness Dorothy Hains, Hearing Exh. S-2. At the hearing, LPSCO's witness testified that LPSCO is in agreement with Staff's recommendation, and would file the tariff at the time it files its revised rate schedules. LPSCO should be directed to make the filing at that time.

#### H. Purchased Power Adjustor Mechanism ("PPAM")

59. In the Settlement Agreement, RUCO agreed not to oppose LPSCO's proposed PPAM as modified by Staff. Staff reviewed LPSCO's purchased power costs for the years 2008 through 2012, and recommends approval of a PPAM for both the water and wastewater divisions, provided that LPSCO files an annual report on its purchased power costs. Staff proposes to calculate an annual increase or decrease in the adjustor, and provide a Recommended Order for Commission approval within 30 days of LPSCO's filing the annual purchased power report. LPSCO agreed to file a Plan of Administration for the PPAM within 90 days of this Decision. Staff's recommendations are reasonable, and the requested PPAM for LPSCO's water and wastewater divisions should be approved, subject to the filing, within 90 days of this Decision, for Commission approval, of a Plan of Administration for the PPAM that comports with Staff's recommendations.

#### I. **Change in State Corporate Income Tax Rate**

60. Arizona state law calls for annual reductions in the corporate income tax rate from December 31, 2014 through December 31, 2016.<sup>13</sup> Staff's witness testified that the provisions of this

<sup>&</sup>lt;sup>13</sup> Direct Testimony of Staff witness Darron W. Carlson, Hearing Exh. S-6 at 32-33, referring to the effects of House Bill 2001, signed into law on February 17, 2011.

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<sup>14</sup> Direct Testimony of Staff witness Darron W. Carlson, Hearing Exh. S-6 at 33. <sup>15</sup> Tr. at 69; Direct Testimony of Staff witness Darron W. Carlson, Hearing Exh. S-6 at 31-32.

law give rise to excess deferred income taxes.<sup>14</sup> Staff recommends that LPSCO be required to determine the amount of its excess deferred income tax related to the changes in State income tax, and within 90 days of this Decision, file a plan on how to refund any excess State income tax recoveries to ratepayers. LPSCO agreed to Staff's recommendations.

#### J. Water Usage Report

61. The adjusted test year revenues for the water division agreed to by the parties includes a \$58,000 decrease in test year revenues based on the declining usage-driven revenue erosion of its 3/4-inch and 1-inch residential customers. As part of its recommendation for approval of the declining usage adjustment, Staff recommends that LPSCO be required to file an annual report every January that details the monthly usage of each meter size and customer class for the prior calendar year. 15 Staff stated that it will review the annual filings, and if Staff believes Commission action is necessary, will file such a recommendation to the Commission. LPSCO agreed to Staff's recommendation. Staff's recommendation is reasonable and should be adopted.

#### **Best Management Practices Tariffs ("BMPS")** K.

62. LPSCO's service area is located in the Phoenix Active Management Area ("AMA"). LPSCO currently has five BMP tariffs in place. LPSCO agreed to submit for Commission approval the five additional BMP tariffs shown in Figure 8 of the Staff Water Engineering Report, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy Hains, in addition to its current BMP tariffs.

#### IV. Water and Wastewater SIBs

63. The only disputed issue in this proceeding is whether LPSCO's requested water and wastewater SIB surcharge mechanisms should be approved. LPSCO and Staff are in agreement that the Company should be authorized to implement water and wastewater SIB surcharge mechanisms. RUCO does not agree.

64. In its application, LPSCO sought approval of a Distribution System Improvement Charge ("DSIC") or DSIC-like mechanism for both its water and wastewater divisions to recover the

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<sup>21</sup> *Id*.

capital costs (return on investment, income taxes and depreciation expense) associated with system improvement projects verified to be completed and placed in service between rate cases.

- 65. In its October 23, 2013 filing of Rebuttal Testimony, LPSCO formally modified its DSIC request in order to seek approval of water and wastewater SIB surcharge mechanisms, in the form approved by the Commission in Decision No. 73938 (June 27, 2013).<sup>16</sup>
- 66. LPSCO is requesting approval of water and wastewater SIBs that are materially the same as the SIB mechanism described in and approved by Decision No. 73938, under the same terms and conditions as the SIB approved in Decision No. 73938.<sup>17</sup> During preparation for the hearing on its application, LPSCO furnished to the parties approximately 600 pages of engineering and financial documentation, and worked with the Commission's Engineering Staff during the preparation for the hearing in this case to develop water and wastewater SIB schedules.<sup>18</sup>
- 67. LPSCO believes approval of the water and wastewater SIBs will serve the public interest by allowing LPSCO to make significant plant investments to maintain and improve service to existing customers in a way that will lessen the impact of necessary rate increases by allowing smaller, more incremental rate increases. 19
- RUCO does not agree with LPSCO that the water and wastewater SIB are in the 68. public interest, and does not support their approval.<sup>20</sup> RUCO believes that the water and wastewater SIBs are bad public policy, are illegal and mechanically flawed.<sup>21</sup> Further, RUCO believes that neither Staff nor LPSCO have made a case to support Commission approval of the water and wastewater SIBs in this case.<sup>22</sup>
- 69. After evaluating the financial and engineering information provided by LPSCO to support its water and wastewater SIB requests, Staff found the information provided by LPSCO

<sup>&</sup>lt;sup>16</sup> Decision No. 73938 approved a SIB mechanism for Arizona Water Company's Eastern Group. Judicial notice was taken in this proceeding of Decision No. 73938, which RUCO marked as Hearing Exh. R-7. <sup>17</sup> Tr. at 76.

<sup>&</sup>lt;sup>18</sup> Settlement Agreement ¶ 6.3.

<sup>&</sup>lt;sup>19</sup> Settlement Agreement ¶ 6.2. <sup>20</sup> Settlement Agreement ¶ 6.6.

<sup>&</sup>lt;sup>22</sup> *Id*.

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26 <sup>28</sup> *Id*.

Hains.

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<sup>29</sup> *Id*. <sup>30</sup> *Id*.

<sup>31</sup> Hearing Exh. A-20.

<sup>25</sup> Hearing Exh. A-21.

<sup>32</sup> Hearing Exh. A-20 at 12 and Table 7.

<sup>26</sup> Hearing Exh. A-21 at 17 and Table 7.

adequate, and the proposed plant improvements to be reasonable and prudent.<sup>23</sup> Staff recommends that the Commission authorize the water and wastewater SIBs for LPSCO.<sup>24</sup>

70. Water Division SIB Plant Table I. In the course of analyzing the application, Staff reviewed the September 26, 2013 Litchfield Park Facilities Assessment, Volume 2 - Water, which was prepared for LPSCO by an outside engineering firm.<sup>25</sup> Table 7 of Hearing Exh. A-21 contains the details, justifications, and cost estimates for LPSCO's proposed five year plan for replacement water plant projects.<sup>26</sup> A copy of that Table 7 is labeled as "Water Division SIB Plant Table I," and is attached hereto and incorporated herein as Exhibit B. Staff Engineering analyzed and prepared a summary of LPSCO's proposed five year water infrastructure plan by year (2014-2018), plant account, and annual estimated project costs.<sup>27</sup> LPSCO's five year plan includes infrastructure additions in four National Association of Regulatory Utility Commissioners ("NARUC") plant accounts: Services, Meters, Hydrants, and Transmission & Mains. 28 Staff found the proposed five year water infrastructure replacement plan, at a cost of \$9,160,400, to be reasonable and appropriate.<sup>29</sup> Staff stated, however, that it made no "used and useful" determination of the proposed plant items, and that no conclusions should be inferred for rate making or rate base purposes in the future.<sup>30</sup>

Wastewater Division SIB Plant Table I. In the course of analyzing the application, 71. Staff reviewed the September 26, 2013 Litchfield Park Facilities Assessment, Volume 2 -Wastewater, which was prepared for LPSCO by an outside engineering firm.<sup>31</sup> Table 7 of Hearing Exh. A-20 contains the details, justifications, and cost estimates for LPSCO's proposed five year plan for replacement wastewater plant projects.<sup>32</sup> A copy of that Table 7 is labeled as "Wastewater

<sup>27</sup> Staff Water Engineering Report at 13-14, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy

<sup>&</sup>lt;sup>23</sup> Tr. at 199-200; Staff Water Engineering Report at 13-14, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy Hains; Staff Wastewater Engineering Report at 11, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy Hains.

<sup>&</sup>lt;sup>24</sup> Staff Br. at 15.

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Division SIB Plant Table I," and is attached hereto and incorporated herein as Exhibit C. Staff Engineering analyzed and prepared a summary of LPSCO's proposed five year wastewater infrastructure plan by year (2014-2018), plant account and annual estimated project costs.<sup>33</sup> The five year plan includes infrastructure in three NARUC plant accounts: Services, Manholes, and Gravity Flow Collection Sewer.<sup>34</sup> Staff found the proposed five year wastewater infrastructure replacement plan, at a cost of \$10.337,600, to be reasonable and appropriate.<sup>35</sup> Staff stated, however, that it made no "used and useful" determination of the proposed plant items, and that no conclusions should be inferred for rate making or rate base purposes in the future.<sup>36</sup>

At the hearing, LPSCO presented draft Plans of Administration ("POAs") for its 72. proposed water and wastewater SIB surcharge mechanisms.<sup>37</sup> At the time of the hearing, LPSCO and Staff were working together on a final draft form of the POAs. Before the conclusion of the hearing. late filed hearing exhibits A-25 and A-26, consisting of LPSCO's final proposed POAs for the water and wastewater SIB surcharge mechanisms, were admitted with no objection. Parties were informed at that time that an opportunity to file responsive testimony would be provided. On January 3, 2014, the Company filed a Notice of Filing Late Filed Exhibits, to which was attached late filed Hearing Exhibits A-25 and A-26, the proposed POAs for LPSCO's proposed wastewater and water SIBs, respectively. On January 8, 2014, RUCO docketed Notice that it did not oppose late filed Hearing Exhibits A-25 and A-26, and further, that RUCO did not intend to file testimony regarding late filed Hearing Exhibits A-25 and A-26. A copy of LPSCO's proposed water SIB POA is attached hereto and incorporated herein as Exhibit D. A copy of LPSCO's proposed wastewater SIB POA is attached hereto and incorporated herein as Exhibit E.

73. The proposed SIB mechanisms are designed to allow the Commission to authorize LPSCO to recover between rate cases, through a surcharge, the pre-tax return on investment and depreciation expense associated with the specific water and wastewater infrastructure projects, net of

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<sup>33</sup> Staff Wastewater Engineering Report at 11, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy Hains.

<sup>&</sup>lt;sup>34</sup> *Id*. 27 <sup>35</sup> *Id*.

<sup>&</sup>lt;sup>37</sup> Hearing Exhs. A-23 and A-22, respectively.

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<sup>38</sup> Exhibit D at 2, 8-9 (emergency circumstances requirements) and Exhibit E at 2, 8-9 (emergency circumstances requirements).

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<sup>40</sup> Exhibit D at 3-7 and Exhibit E at 3-7.

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<sup>42</sup> Exhibit D at 6 and Exhibit E at 6.

associated plant retirements, which have been submitted for review in this rate proceeding and which LPSCO plans to complete and place in service, to serve existing connections, prior to LPSCO's next rate case filing (no later than June 1, 2019). Under the proposed SIB mechanisms, the projects will be subject to a usefulness and prudency review in LPSCO's next rate case, and any approved surcharges will be subject to true-up and refund.

- 74. The key provisions of LPSCO's proposed water and wastewater SIBs, as detailed in the proposed POAs, are as follows:
  - a. Approval of SIB-Eligible Projects All SIB-eligible projects must be reviewed by Staff and approved by the Commission prior to being included in the SIB surcharges.<sup>38</sup> All of the projects must be completed and placed into service prior to being included in the SIB surcharges.<sup>39</sup> LPSCO must file a report with the Commission every six months summarizing the status of all SIB-eligible projects.40
  - b. Costs Eligible for SIB Recovery Cost recovery under the SIB mechanism is allowed for the pre-tax return on investment and depreciation expense associated with SIB projects, net of associated plant retirements. The rate of return, depreciation rates, gross revenue conversion factor and tax multiplier are to be the same as established in this Decision.<sup>41</sup>
  - c. Efficiency Credit The SIB surcharge will include an efficiency credit equal to five percent of the SIB revenue requirement. 42
  - d. Surcharge Cap The amount that can be collected annually by each SIB surcharge filing is limited to five percent of the revenue requirement authorized in this Decision.43
  - e. Timing of the SIB Surcharge Filing For each division, LPSCO may file up to

five SIB surcharge requests between rate case decisions; may make no more than one SIB surcharge filing prior to 12 months following this Decision; must make an annual SIB surcharge filing to true up its surcharge collections; and must file a new rate case application no later than June 30, 2019, with a test year ending no later than December 31, 2018, at which time any SIB surcharge then in effect will be reviewed for inclusion in base rates in that proceeding, and the surcharge will be reset to zero.<sup>44</sup>

- f. SIB Rate Design The SIB surcharge will consist of a fixed monthly charge on customers' bills, with the surcharge and the efficiency credit listed as separate line items. The surcharge will increase proportionately based on customer meter size, in the case of the water SIB, and service lateral size, in the case of the wastewater SIB.<sup>45</sup>
- g. <u>Commission Approval of SIB Surcharge</u> Each SIB surcharge must be approved by the Commission prior to implementation.<sup>46</sup>
- h. <u>Public Notice</u> At least 30 days prior to a SIB surcharge becoming effective, LPSCO is required to provide public notice to customers in the form of a bill insert or customer letter. The notice must include the individual surcharge amount by meter size; the individual efficiency credit by meter size; the individual true-up surcharge/credit by meter size; and directions where a customer may obtain a summary of the project(s) included in the current surcharge filing, including a description of each project and its cost.<sup>47</sup>
- i. <u>SIB Surcharge Request Filing Requirements</u> In order to allow the Commission to conduct a fair value analysis, all SIB surcharge requests must include LPSCO's most current balance sheet at the time of the filing; its most current income statement; an earnings test schedule; a rate review schedule (including the

<sup>&</sup>lt;sup>44</sup> Exhibit D at 3-6 and Exhibit E at 3-6.

<sup>&</sup>lt;sup>45</sup> Exhibit D at 9 and Exhibit E at 9.

<sup>&</sup>lt;sup>46</sup> Exhibit D at 9-10 and Exhibit E at 9-10.

<sup>&</sup>lt;sup>47</sup> Exhibit D at 10 and Exhibit E at 9-10.

incremental pro forma effects of the proposed increase); a revenue requirement calculation; a surcharge calculation; an adjusted rate base schedule; a construction work in progress ("CWIP") ledger for each project showing accumulation of charges by month and paid vendor invoices); Excel schedules with formulae intact supporting the revenue requirements approved in this Decision and the same Excel schedules incorporating the effects of SIB-eligible plant for the current SIB surcharge request and any previously approved surcharge and true-up requests; and a typical residential bill analysis showing the effect of the SIB surcharge.<sup>48</sup>

- j. <u>Reconciliation and True-Ups</u> Any under- or over-collected SIB authorized revenues will be recovered or refunded, without interest, over a 12-month period by means of a SIB true-up surcharge or true-up credit.<sup>49</sup>
- k. Earnings Test To allow the Commission to ensure that rates are just and reasonable, LPSCO must perform an earnings test calculation for each initial SIB filing and SIB annual report filing. The purpose of the earnings test filing is to determine whether the actual rate of return reflected by operating income for the relevant 12-month period exceeded the most recently authorized fair value rate of return. The earnings test must be based on the most recent available operating income, adjusted for any operating revenue and expense adjustments adopted in this Decision; on the rate base adopted in this Decision, updated to recognize changes in plant, accumulated depreciation, contributions in aid of construction ("CIAC"), advances in aid of construction ("AIAC"), and accumulated deferred income taxes through the most recent available financial statement (quarterly or longer). <sup>50</sup>
- 1. <u>Emergency Circumstances</u> Under the proposed POA, Projects may be not be added to either Water SIB Plant Table I or Wastewater SIB Plant Table I subsequent to this Decision, except in the event of emergency circumstances,

 $<sup>^{48}</sup>$  Exhibit D at 4-5 and Exhibit E at 4-5.

<sup>&</sup>lt;sup>49</sup> Exhibit D at 6-7 and Exhibit E at 7.

<sup>&</sup>lt;sup>50</sup> Exhibit D at 7 and Exhibit E at 7-8.

which are specifically defined in Section V of the water and wastewater POAs.

As it argued in the case leading up to Decision No. 73938, RUCO argues that the SIBs

Such emergency additions must be approved by the Commission.<sup>51</sup>

should not be approved. RUCO claims that the SIBs shift risk from LPSCO to the ratepayer without

adequate financial consideration to the ratepayer; that the SIBs are not true adjustor mechanisms

because they are used to include plant costs, not fluctuating operating expenses; that the SIBs would

result in interim rates, which LPSCO has not requested; that the SIBs will increase LPSCO's FVRB

without any meaningful determination of fair value, and therefore the SIBs are single issue

ratemaking; that Scates v. Arizona Corp. Comm'n, 118 Ariz. 531, P.2d 612 (App. 1978) does not

provide for an exception that would allow the SIBs; that LPSCO and Staff did not make a case for the

SIBs; and that the SIBs are not in the public interest because they eliminate regulatory lag to the

benefit of the utility, at the risk of reducing pressure to operate prudently and efficiently, to the

authority, comply with the fair value requirement of the Arizona Constitution, are lawful adjustor

mechanisms under Arizona law, and comply with all requirements for adjustor mechanisms under

LPSCO and Staff argue that the proposed SIBs are within the Commission's legal

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# V. <u>Compliance</u>

Arizona law.

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detriment of the ratepayer.

- 77. The Commission's Consumer Services database from January 1, 2010 through August 15, 2013 showed a total of seven complaints for the water division and two complaints for the wastewater division, all of which have been resolved and closed.
- 78. The Commission's compliance database indicates that LPSCO is currently in compliance with all Commission requirements.
- 79. The Staff Engineering Report indicates that LPSCO's water and wastewater systems are in compliance with the Arizona Department of Environmental Quality ("ADEQ") monitoring and reporting requirements.

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DECISION NO. 74437

<sup>&</sup>lt;sup>51</sup> Exhibit D at 8-9 and Exhibit E at 8-9.

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#### VI. Conclusions

- 80. For purposes of this proceeding, we determine that LPSCO has a water division FVRB of \$33,103,506 and a wastewater division FVRB of \$24,190,673.
- 81. A rate of return on FVRB of 8.76 percent, based on an actual capital structure of 84.13 percent common equity and 15.87 percent long-term debt, is reasonable and appropriate.
- 82. LPSCO is entitled to a water division gross revenue increase of \$1,423,850 and a wastewater division gross revenue increase of \$342,962.
- 83. The rate design agreed to by the parties and set forth in Exhibit F should be adopted in this proceeding.
- 84. LPSCO should be required to file, along with its revised rates and schedules, a new low income tariff modified to reflect an increased discount from 15 percent to 30 percent for eligible customers, as agreed to by the parties, and should be required to continue to implement the low income tariff as required by Decision No. 72026.
- 85. Under the water rates adopted herein, a 3/4-inch meter residential customer with average water consumption (8,827 gallons per month) will experience a 10.45 percent increase in rates, from \$24.33 to \$26.87. A typical bill analysis for other meter sizes appears in Exhibit A, Water Division Schedule H-2.
- 86. Under the wastewater rates adopted herein, a residential customer will experience a 3.488 percent increase in rates, from \$38.99 to \$40.35. A typical bill analysis for other customer classes appears in Exhibit A, Wastewater Division Schedule H-2.
- 87. LPSCO should use, on a going forward basis, the depreciation and amortization rates shown on water division and wastewater division Schedules C-2, page 2 of the Summary Schedules attached as Exhibit 1 to Exhibit A.
- 88. As LPSCO agreed, it should be required to file for its water division a new off-site facilities hook-up fee tariff in conformance with Figure 7 of the Staff Engineering Report on the water division, attached to the Direct Testimony of Staff witness Dorothy Hains, Hearing Exh. S-2.
- 89. LPSCO's request for a PPAM for its water and wastewater divisions should be approved, subject to the filing, within 90 days of this Decision, for Commission approval, a Plan of

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Administration for the PPAM that comports with Staff's recommendations.

- 90. LPSCO's service area is located in the Phoenix Active Management Area ("AMA"). As LPSCO agreed, it should be required to submit for Commission approval five additional BMP tariffs shown in Figure 8 of the Staff Engineering Report, attached to Hearing Exh. S-2, Direct Testimony of Staff witness Dorothy Hains, in addition to its current BMP tariffs. LPSCO may request cost recovery of actual costs associated with the additional implemented BMPs in its next rate case.
- 91. As LPSCO agreed, it should be required to file within 90 days, as recommended by Staff, a report detailing the amount of its excess deferred income tax resulting from the changes in State income tax due to House Bill 2001, along with a plan on how it will refund any excess State income tax recoveries to ratepayers.
- 92. LPSCO agreed to Staff's recommendation in regard to reporting on usage for its water division. LPSCO should be directed to annually file in this docket, commencing on or before February 1, 2015, until the filing of LPSCO's next rate case, a report that details the monthly usage of each meter size and customer class for the prior January-December calendar year. We will require Staff to analyze the data, and if Staff believes that Commission action should be taken, Staff should provide a recommendation to the Commission.
- 93. We agree with our Staff's expert analysis that the infrastructure replacement plans set forth in Exhibits B and C and are reasonable, and the costs are appropriate. The infrastructure replacement plans provide a reasonable and appropriate means for LPSCO to meet the challenge of replacing aging infrastructure in the LPSCO water and wastewater systems, while addressing important issues of regulatory lag and rate gradualism. As the POAs specify, plant additions under the SIBs are limited to those set forth in Exhibits B and C, and plant items for which SIB recovery may be authorized pursuant to the POAs in future Commission proceedings will be subject to review and refund in LPSCO's next rate case. We make no "used and useful" determination of the proposed plant items, and no such conclusions should be inferred for rate making or rate base purposes in the future.
  - 94. The SIB surcharge mechanisms LPSCO proposes will provide a means for the

1 Commission to update LPSCO's FVRB and implement a series of step increases, thereby allowing 2 3 4 5 6 10 11 12 13 14

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LPSCO to undertake its substantial infrastructure replacement program which will benefit its customers without the need for a repeated series of rate cases, which can be costly for ratepayers. The SIB surcharge mechanisms include safeguards to ensure that rates will continue to be just and reasonable. Each annual SIB surcharge requires our approval and a fair value analysis and determination, based on LPSCO's provision of updated financial information, prior to taking effect. The information that LPSCO must include in SIB filings pursuant to the POAs will allow for a consideration of all of LPSCO's costs at the time a surcharge adjustment is made. Moreover, the SIB surcharge mechanisms do not guarantee surcharge increases, as each requested surcharge increase will only be authorized if we determine that LPSCO is not earning more than its authorized rate of return. In addition, the amount to be collected by the SIB surcharges will be capped at five percent of the revenue requirement authorized in this Decision, and the infrastructure replacements will be subject to annual true-ups, and to refund following a usefulness and prudency review in LPSCO's next rate case. Importantly, the SIB includes the tangible customer benefit of an efficiency credit equal to five percent of any approved SIB revenue requirement.

95. We have comprehensively addressed, in our Opinion and Order set forth in Decision No. 73938, the arguments RUCO again raises in this case in opposition to LPSCO's proposed SIB surcharge mechanisms. In Decision No. 73938, we found the SIB mechanism approved therein, upon which LPSCO's proposed SIB mechanisms are based, to be compliant with the Commission's constitutional requirements, as well as with the case law interpreting the Commission's authority and discretion in setting rates.<sup>52</sup> We find LPSCO's proposed SIB mechanisms in this case, which are virtually identical to those approved in Decision No. 73938, to also be compliant with the Commission's constitutional requirements and duties, and with the case law interpreting those requirements and duties. The legal analysis set forth in Decision No. 73938 is incorporated in our Decision today. For the reasons stated hereinabove, and with those stated in Decision No. 73938, we find that implementation of LPSCO's proposed SIB surcharge mechanisms, pursuant to the proposed

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<sup>&</sup>lt;sup>52</sup> Decision No. 73938 at 42-54.

POAs in Exhibits D and E, and limited to the infrastructure replacement plans set forth in Exhibits B and C, is in the public interest, and will therefore approve them.

- 96. LPSCO should be required to file, at the time it files its revised rates and schedules, water and wastewater SIB POAs that conform to the proposed POAs in Exhibits D and E.
- 97. LPSCO should be authorized to request, pursuant to the requirements and conditions set forth in the POAs in Exhibits D and E, SIB surcharge mechanism treatment for the specific projects listed in Exhibits B and C.

#### **CONCLUSIONS OF LAW**

- 1. LPSCO is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250 and 40-251.
- 2. The Commission has jurisdiction over LPSCO and the subject matter of this proceeding.
- 3. The rates, charges and conditions of service established herein are just and reasonable and in the public interest.
  - 4. Notice of the application was given in accordance with law.

#### **ORDER**

IT IS THEREFORE ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. is hereby authorized and directed to file with the Commission, on or before April 30, 2014, revised schedules of rates and charges consistent with Exhibit F attached hereto.

IT IS FURTHER ORDERED that the revised schedules of rates and charges shall be effective for all service rendered on and after May 1, 2014.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall provide notice to its customers of the revised rates and charges, in a form acceptable to the Commission's Utilities Division Staff, in its next regularly scheduled billing.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall file, along with its revised rates and schedules, a new low income tariff modified to reflect an increased discount for eligible customers, from 15 percent to 30 percent.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp.

shall notify its customers of the increased discount for customers eligible for its low income tariff in the customer notice ordered above, and shall continue to notify all new customers of the availability of the low income tariff at the time service is requested.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall annually file with the Commission, at the time it files its annual utility report with the Commission, as a compliance item in this docket, a low income tariff report showing the number of participants for the preceding year, discounts given, administrative and carrying costs, and collections made through the commodity surcharge.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall, at the time it files revised schedules of rates and charges, file a new water division off-site facilities hook-up fee tariff in conformance with Figure 7 of the Staff Water Engineering Report, attached to the Direct Testimony of Staff witness Dorothy Hains, Hearing Exh. S-2.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. is hereby authorized and directed to file within 45 days, with the Commission's Docket Control Center, as a compliance item in this matter, for Commission approval, five additional BMP tariffs in conformance with Figure 8 of the Staff Engineering Report, attached to the Direct Testimony of Staff witness Dorothy Hains, Hearing Exh. S-2, and to request cost recovery of actual costs associated with the implemented BMPs in its next rate case.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall use, on a going forward basis, the depreciation and amortization rates shown on water division and wastewater division Schedules C-2, page 2 of the Summary Schedules attached as Exhibit 1 to Exhibit A.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp.'s request for approval of a Purchased Power Adjustor Mechanism is hereby approved, subject to its filing, within 90 days of this Decision, for Commission approval, a Plan of Administration for the Purchased Power Adjustor Mechanism that comports with Staff's recommendations.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall file within 90 days, as recommended by Staff, a report detailing the amount of its excess

deferred income tax resulting from the changes in State income tax due to House Bill 2001, along with a plan on how it will refund any excess State income tax recoveries to ratepayers.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall annually file in this docket, commencing on or before February 1, 2015, and until the filing of its next rate case, a report that details the monthly usage of each meter size and customer class for the Staff shall analyze the data, and if Staff believes that prior January-December calendar year. Commission action should be taken, shall provide a recommendation to the Commission.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. is hereby authorized to implement a Water System Improvement Benefit surcharge mechanism and a Wastewater System Improvement Benefit surcharge mechanism pursuant to the requirements and conditions set forth in the Plans of Administration appearing in Exhibits D and E.

IT IS FURTHER ORDERED that Liberty Utilities (Litchfield Park Water & Sewer) Corp. shall file, at the time it files its revised rates and schedules, Plans of Administration for the System Improvement Benefit and Collection System Improvement Benefit surcharge mechanisms authorized herein which conform to Exhibits D and E.

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|--------|---|---|--|--|--|--|
| 1      | SERVICE LIST FOR:   | LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. |  |  |  |  |
| 2      | DOCKET NOS.:  | SW-01428A-13-0042 and W-01427A-13-0043                  |  |  |  |  |
| 3      | Jay L. Shapiro<br>FENNEMORE CRAIG, PC   |   |  |  |  |  |
| 4      | 2394 E. Camelback Road, Suite 600<br>Phoenix, AZ 85016  |   |  |  |  |  |
| 5      | Attorneys for Litchfield Park Service Comp  | pany  |  |  |  |  |
| 6      | Daniel W. Pozefsky, Chief Counsel<br>RUCO   |   |  |  |  |  |
| 7<br>8 | 1110 W. Washington St., Suite 220<br>Phoenix, AZ 85007  |   |  |  |  |  |
| 9      | Olivia Burnes<br>356 N. Cloverfield Circle  |   |  |  |  |  |
| 10     | Litchfield Park, AZ 85340   |   |  |  |  |  |
| 11     | Janice Alward, Chief Counsel<br>Robin Mitchell, Staff Attorney  |   |  |  |  |  |
| 12     | Matthew Laudone, Staff Attorney Legal Division ARIZONA CORPORATION COMMISSION 1200 West Washington Street |   |  |  |  |  |
| 13     |   |   |  |  |  |  |
| 14     | Phoenix, AZ 85007   |   |  |  |  |  |
| 15     |   |   |  |  |  |  |
| 16     | ARIZONA CORPORATION COMMISSION 1200 West Washington Street  | JN  |  |  |  |  |
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#### EXHIBIT A

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

IN THE MATTER OF THE APPLICATION OF LITCHFIELD PARK SERVICE COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

Docket Nos. W-01427A-13-0043 & SW-01428A-13-0042 (Consolidated)

#### **DECEMBER 11, 2013**

# PROPOSED SETTLEMENT AGREEMENT BETWEEN LPSCO AND RUCO IN THE LPSCO RATE CASE DOCKET NOs. W-01427A-13-0043 & SW-01428A-13-0042

The purpose of this Settlement Agreement ("Agreement") is to settle disputed issues related to Docket Nos. W-01427A-13-0043 and SW-01428A-13-0042 (the "Rate Case"). This Agreement is entered into by Liberty Utilities (Litchfield Park Water & Sewer) Corp. f/n/a Litchfield Park Service Co. ("LPSCO" or "Company") and the Residential Utility Consumer Office ("RUCO"). LPSCO and RUCO will be referred to collectively as "Signatories;" a single entity will be referred to individually as a "Signatory."

#### I. RECITALS.

- On February 28, 2013, LPSCO filed separate rate applications for its water and its wastewater divisions. The Utilities Division Staff ("Staff") filed a letter of sufficiency on March 28, 2013. Thereafter, an April 12, 2013 Procedural Order consolidated the two dockets and established a procedural schedule. Notice to customers was sent by mail in June and July 2013, and notice was published on June 11, 2013. Intervention was granted to RUCO on April 24, 2013 and to Ms. Olivia Burnes on September 19, 2013.
- 1.2 On numerous occasions throughout the pendency of this Rate Case, representatives from LPSCO have worked and met with representatives from RUCO, and with representatives from Staff, in an effort to provide additional information and answer questions. As a result of these efforts, discovery, and prefiling of testimony, the three parties have accepted a number of each other's adjustments, the result of which is that a number of issues that were in dispute have been resolved.
- 1.3 On December 2, 2013, counsel for RUCO contacted counsel for LPSCO and Staff to raise the possibility of resolving one or more issues that remained in dispute as of the filing of LPSCO's rejoinder testimony. From that date through the date of

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

this Agreement, representatives from the three parties discussed the issues that remained in dispute in an effort to resolve those issues. As a result of those efforts, the three parties have eliminated most of the issues in dispute. The sole remaining issue is the Company's request for approval of System Improvement Benefit ("SIB") and Collection System Improvement Benefit ("CSIB") surcharges.

- As a result of the resolution of the issues in dispute in this case, except the SIB/CSIB, the parties are now in material agreement on (1) the Company's fair value rate base; (2) the level of operating expenses; (3) the rate of return; (4) the revenue requirement; and (5) the rate design, as reflected in the <u>Summary Schedules</u> attached hereto as <u>Exhibit 1</u>. Moreover, RUCO agrees not to oppose the Company's proposed Purchase Power Adjustment Mechanism ("PPAM") as modified by Staff.
- By reaching material agreement on the Company's fair value rate base, operating expenses, rate of return, revenue requirement and rate design, as reflected in the **Summary Schedules** attached hereto as **Exhibit 1**, the parties have eliminated multiple issues from dispute. These issues, which were still either in dispute or needing clarification at the time of the Company's rejoinder filing, include return on equity, rate design, Corporate Cost allocations, Achievement Pay, RUCO's use of a 13 month average for Customer Meter Deposits, the Declining Usage Adjustment, and the final amount of Post Test Year Plant to be included in rate base. As such, the only remaining issue in dispute is the Company's request for approval of a SIB and CSIB, which issue does not impact the revenue requirement.
- In order to effectuate the Commission's determination of LPSCO's fair value rate base and the setting of just and reasonable rates thereon, LPSCO and RUCO enter into this Agreement and jointly represent to the Commission that the terms and conditions of this Agreement are just, reasonable, fair, and in the public interest in that these terms and conditions establish just and reasonable rates for water and wastewater utility service by LPSCO under the facts and circumstances presented in this Rate Case, promote the convenience, comfort and safety, and the preservation of health, of the employees and patrons of LPSCO; and avoid further litigation in the determination of fair value rate base and setting of rates.
- 1.7 The Signatories agree to ask the Commission: (1) to find that the terms and conditions of this Agreement are just and reasonable and in the public interest, along with any and all other necessary findings, and (2) to approve the Agreement such that it and the rates contained herein may become effective on or before May 1, 2014.
- 1.8 Staff's representatives participated in the preparation of the <u>Summary Schedules</u> and the Signatories believe Staff supports the material terms of this Agreement and will stipulate accordingly following the submission of this Agreement to the Commission.

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Signatories, intending to be legally bound, hereby agree to the following terms and conditions.

# II. REVENUE REQUIREMENT AND RATE INCREASE PROVISIONS.

#### 2.1 Rate Increase.

2.1.1 The revenue requirements and rate increases for both of the Company's water and sewer divisions are shown on Schedule A-1 of the <u>Summary Schedules</u> attached hereto as <u>Exhibit 1</u>.

#### 2.2 Fair Value Rate Base.

- 2.2.1 The fair value rate base used to establish the revenue requirement and rates agreed to herein is shown on Schedule B-1 the <u>Summary Schedules</u> attached hereto as <u>Exhibit 1</u>. LPSCO agrees to the use of original cost rate base as its fair value rate base for purposes of setting rates in this case.
- 2.2.2 The rate base set forth on Schedule B-1 the <u>Summary Schedules</u> attached hereto as <u>Exhibit 1</u> includes Post Test Year Plant as recommended by LPSCO and RUCO, which project includes a roughly \$1.1M revenue neutral wastewater system improvement that is used and useful serving existing customers.
- 2.3 The rates agreed to herein are based on a test year ending December 31, 2012, with adjustments for known and measurable changes.
- 2.4 The operating expense levels agreed to herein are based upon the expense levels recommended by RUCO and the Company.

#### III. BILL IMPACT AND RATE DESIGN.

- 3.1 For the water division, the rate design includes inverted tiers intended to promote water conservation.
- 3.2 The Company's low income tariff has been modified to reflect an increased discount from 15% to 30% for eligible customers. The revised tariff will be filed as part of the final approved tariffs after a Commission Decision is approved.
- 3.3 Upon the effective date of the new rates, the monthly bill for a <sup>3</sup>/<sub>4</sub>" residential water customer using 8,827 gallons per month is \$26.87 as shown on Schedule H-2, Page 1 of the Summary Schedules attached hereto as Exhibit 1.

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

3.4 Upon the effective date of the new rates, the monthly bill for a residential wastewater customer with median usage is \$40.35 as shown on Schedule H-2, Page 1 of the **Summary Schedules** attached hereto as **Exhibit 1**.

#### IV. COST OF CAPITAL.

- 4.1 Staff, RUCO and the Company jointly recommended that a capital structure comprised of 15.87% long term debt and 84.13% common equity be adopted.
- 4.2 RUCO's recommended return on common equity of 9.2% will be adopted.
- 4.3 A cost of debt of 6.4 % will be adopted.
- 4.4 A fair value rate of return of 8.76% will be adopted.

#### V. DEPRECIATION/AMORTIZATION.

5.1 The depreciation and amortization rates proposed by Staff and contained in the Direct Testimony of Staff witness Dorothy Hains will be adopted until further order of the Commission. The recommended depreciation rates are shown on Schedule C-2, Page 2 the <u>Summary Schedules</u> attached hereto as <u>Exhibit 1</u>.

#### VI. SIB/CSIB

- In its initial application, the Company sought approval of a Distribution System Improvement Charge ("DSIC") or DSIC-like mechanism for both its water and wastewater divisions. The Company sought approval of a DSIC-like mechanism to provide for recovery of the capital costs (return on investment, income taxes and depreciation expense) associated with distribution system improvement projects that have been verified to be completed and placed in service where costs have not been included in rate base for recovery in the decision in the LPSCO Rate Case.
- 6.2 The Company is requesting approval of a SIB and CSIB for its water and wastewater divisions, respectively, because it believes that approval will serve the public interest by allowing LPSCO to make significant plant investments in its water and wastewater systems to maintain and/or improve service to existing customers in a way that will lessen the impact of necessary rate increases by allowing smaller, more incremental rate increases to cover the costs of these necessary plant investments. The Company believes that the costs of these water and wastewater projects, the benefits of rate gradualism for both water and wastewater customers, and the other factors set forth in the record justifies implementation of a SIB and CSIB for LPSCO's water and wastewater divisions.
- 6.3 In support of its request, the Company furnished Staff and RUCO approximately 600 pages of engineering and financial documentation in support of its request.

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

Thereafter, the Company worked with Staff Engineering to develop schedules in the form under development by Staff.

- In its rebuttal filing dated October 23, 2013, the Company formally modified its request to request a SIB and CSIB in the form approved by the Commission in Decision No. 73938 (June 27, 2013) for Arizona Water Company's Eastern Group. The Signatories are both parties to the Arizona Water Company Eastern Group rate case, Docket No. W-01445A-11-0310 ("AWC SIB Docket"), which docket is now the subject of rehearing. RUCO sought rehearing of Decision No. 73938 and the Commission granted rehearing and also voted to reconsider Decision No. 73736 pursuant to ARS § 40-252. RUCO has also filed a notice of appeal of Decision No. 74081.
- 6.5 Staff has reviewed the Company's five-year infrastructure replacement plan for water at a cost of \$9,160,400 and wastewater at a cost of \$10,337,600 and found both to be reasonable and appropriate.
- 6.6 RUCO does not support the approval of a SIB or CSIB. RUCO does not agree that the SIB/CSIB are in the public interest. RUCO believes that the SIB/CSIB are bad public policy, are illegal and mechanically flawed. Further, RUCO believes that neither Staff nor the Company have made their case to support the approval of the SIB/CSIB in this case.
- In order to promote efficiency in making a record upon which the Commission can first consider the Company's request for approval of a SIB/CSIB, and RUCO's opposition thereto, and thereafter, if such relief is granted, to allow RUCO to challenge an order approving a SIB and/or CSIB along with it other SIB appeals, the Signatories agree that, in addition to the prefiled testimony of the witnesses in this LPSCO Rate Case the following shall be marked into evidence without objection as Exhibits in this LPSCO Rate Case.
  - 6.7.1 AWC SIB Docket (Phase Two) Sorensen Direct Testimony (filed April 2, 2013)
  - 6.7.2 The SIB water and wastewater engineering report (emailed to all parties on October 1, 2013)
  - 6.7.3 LPSCO's proposed SIB Plan of Administration
  - 6.7.4 AWC SIB Docket (Phase Two) Settlement Agreement (filed April 1, 2013)
  - 6.7.5 AWC SIB Docket (Phase Two) Rigsby Direct Testimony (without exhibits) (filed April 2, 2013)
  - 6.7.6 AWC SIB Docket (Phase Two) Quinn Direct Testimony (April 2, 2013)

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

6.7.7 AWC SIB Docket (Phase Two) Comments of Attorney General – State of Alaska

The Signatories acknowledge that at the time of the filing of this Agreement this list may not be exhaustive and that any Signatory can offer additional exhibits at hearing as deemed necessary, however, objections to admission are only waived as to the documents identified above.

#### VII. COMMISSION EVALUATION OF PROPOSED SETTLEMENT.

- 7.1 The Signatories agree to the admission into evidence of the pre-filed testimony of each other's witnesses in this Rate Case. All testimony shall be individually marked but may be offered in whole during the hearings on this Rate Case.
- 7.2 This Agreement will serve as a procedural device by which the Signatories will submit their proposed fair value rate base, operating expenses, rate of return; revenue requirement and rate design, as reflected in the **Summary Schedules** attached hereto as **Exhibit 1**, to the Commission.
- 7.3 The Signatories acknowledge and agree that determination of the Company's fair value rate base and establishment of just and reasonable rates thereon, requires Commission approval, and that the Commission will independently consider and evaluate the terms of this Agreement. With respect to approval of this Agreement, the Signatories agree as follows:
  - 7.3.1. The Signatories shall submit this Agreement to the Commission immediately following execution, followed by supporting testimony from each of the Signatories, if required by the Administrative Law Judge.
  - 7.3.2. To support and defend the Agreement by filing testimony as required by the Administrative Law Judge, appearing at any and all hearings, open meetings or other proceedings in the Docket related to the Agreement, and taking any and all other steps reasonably necessary to obtain Commission adoption of the material terms of the Agreement, including, but not limited to, eliciting support from its constituents.
  - 7.3.3. Except for the issues remaining in dispute noted above, to waive all rights to appeal a Commission decision providing the Commission adopts the material terms of this Agreement. The Signatories agree that a final, non-appealable Commission order adopting the material terms of this Agreement shall constitute Commission approval of the Agreement for purposes of this Agreement.
- 7.4 If the Commission fails to issue an order adopting all material terms of this Agreement, one or both of the Signatories may withdraw from this Agreement, and such Signatory or Signatories may pursue without prejudice their respective remedies at law. For purposes of this Agreement, whether a term is material will

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

be left to the reasonable discretion of the Signatory choosing to withdraw from the Agreement. If a Signatory withdraws from the Agreement pursuant to this paragraph and files an application for rehearing, the other Signatory will support the application for rehearing by filing a document with the Commission that supports approval of the Agreement in its entirety.

#### VIII. MISCELLANEOUS PROVISIONS.

- 8.1 The Signatories hereby agree to the incorporation of the Recitals set forth above as part of the terms and conditions of this Agreement.
- 8.2 The provisions set forth herein regarding the quantification of cost of capital, fair value rate base, fair value rate of return, operating expenses and the revenue requirement are made for purposes of settlement only and should not be construed as admissions against interest or waivers of litigation positions related to other or future cases, nor should the acceptance by any Signatory of a specific element of this Agreement be considered as precedent for acceptance of that element in any other context.
- 8.3 No Signatory is bound by any position asserted in negotiations, except as expressly stated in this Agreement. No Signatory will offer evidence of conduct or statements made in the course of negotiating this Agreement before this Commission, any other regulatory agency, or any court.
- 8.4 Neither this Agreement nor any of the positions taken in this Agreement by any of the Signatories may be referred to, cited, and/or relied upon as precedent in any proceeding before the Commission, any other regulatory agency, or any court for any purpose except to secure approval of this Agreement and enforce its terms.
- 8.5 To the extent any provision of this Agreement is inconsistent with any existing Commission order, rule, or regulation, this Agreement will control.
- 8.6 The Signatories will make reasonable and good faith efforts necessary to obtain a Commission order approving the material terms of this Agreement. The Signatories will support and defend this Agreement before the Commission. Subject to the provisions above, if the Commission adopts an order approving all material terms of the Agreement, the Signatories will support and defend the Commission's order before any court or regulatory agency in which it may be at issue.
- 8.7 This Agreement may be executed in any number of counterparts and by each Signatory on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together will constitute one and the same instrument. This Agreement may also be executed electronically or by facsimile.

PROPOSED SETTLEMENT AGREEMENT Docket Nos. W-01427A-13-0043 et al. December 11, 2013

| LII CHITELD PARK SERVICE COMPANY        |
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| By: Han Soun                            |
| Name: Gregory S. Sorenson               |
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| Its: President -AZ/TX                   |
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| By:                                     |
| Name: Potrack J Quinn                   |
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# EXHIBIT 1

## WATER DIVISION SCHEDULES

DECISION NO. 74437

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Computation of Increase in Gross Revenue Requirements As Adjusted

Exhibit Proposed Final Schedule A-1 Page 1 Witness: Bourassa

| Line     |                                  |                          |   |           |  |                    |             |                    |          |                      |                  |
|----------|----------------------------------|--------------------------|---|-----------|--|--------------------|-------------|--------------------|----------|----------------------|------------------|
| No.      |                                  |                          |   |           |  |                    |             |                    |          |                      |                  |
| 1        | Fair Value Rate                  | Base                     |   |           |  |                    |             |                    | \$       | 33,103,506           |                  |
| 2        | Tan Tarao Itale                  | 2000                     |   |           |  |                    |             |                    | 4        | 33,103,300           |                  |
| 3        | Adjusted Opera                   | tina Income              |   |           |  |                    |             |                    |          | 2,035,146            |                  |
| 4        | ,                                |                          |   |           |  |                    |             |                    |          | 2,000,140            |                  |
| - 5      | Current Rate of                  | Return                   |   |           |  |                    |             |                    |          | 6.15%                |                  |
| 6        |                                  |                          |   |           |  |                    |             |                    |          | 0.1070               |                  |
| 7        | Required Opera                   | ating Income             |   |           |  |                    |             |                    | \$       | 2,898,428            |                  |
| 8        |                                  |                          |   |           |  |                    |             |                    | •        |                      |                  |
| 9        | Required Rate                    | of Return on Fr          | air Value Rate E                        | Base      |  |                    |             |                    |          | 8.76%                |                  |
| 10       |                                  |                          |   |           |  |                    |             |                    |          |                      |                  |
| 11       | Operating Incor                  | ne Deficiency            |   |           |  |                    |             |                    | \$       | 863,282              |                  |
| 12       |                                  |                          |   |           |  |                    |             |                    |          | * .                  |                  |
| 13       | Gross Revenue                    | Conversion F             | actor                                   |           |  |                    |             |                    |          | 1.6466               |                  |
| 14       |                                  | <u>-</u> -               |   |           |  |                    |             |                    |          |                      |                  |
| 15       | Increase in Gro                  | ss Kevenue               |   |           |  |                    |             |                    | _        |                      |                  |
| 16       | Requirement                      | •                        |   |           |  |                    |             |                    | \$       | 1,421,511            |                  |
| 17       | Adimeted Tank )                  | (ans Da                  |   |           |  |                    |             |                    | _        |                      |                  |
| 18<br>19 | Adjusted Test                    |                          |   |           |  |                    |             |                    | \$       | 11,201,268           |                  |
| 20       | Increase in Gro<br>Proposed Reve |                          |   | anent.    |  |                    |             |                    | \$<br>\$ | 1,421,511            |                  |
| 21       | % Increase                       | requient                 |   |           |  |                    |             |                    | Ψ        | 12,622,779<br>12.69% |                  |
| 22       | ,                                |                          |   |           |  |                    |             |                    |          | 12.0370              |                  |
| 23       | Customer                         |                          |   |           |  | Present            |             | Proposed           |          | Dollar               | Percent          |
| 24       | Classification                   |                          |   |           |  | Rates              |             | Rates              |          | Increase             | Increase         |
| 25       | 5/8x3/4 Inch                     | Residential              |   |           |  | \$ 11,824          | \$          | 13,587             | \$       | 1,763                | 14.91%           |
| 26       | 3/4 Inch                         | Residential              |   | ,         |  | 3,047,017          |             | 3,303,996          | •        | 256,979              | 8.43%            |
| 27       | 3/4 Inch                         | Residential              | - Low Income                            |           |  | 7,293              |             | 7,439              |          | 145                  | 1.99%            |
| 28       | 1 Inch                           | Residential              |   |           | 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1 | 3,360,696          |             | 3,828,957          |          | 468,261              | 13.93%           |
| 29       | 1 Inch                           |                          | - Low Income                            |           |  | 8,528              | ig 1274 - , | 10,497             |          | 1,968                | 23.08%           |
| 30       | 1.5 Inch                         | Residential              | * 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 |           | •  | 44,871             |             | 51,734             |          | 6,863                | 15.30%           |
| 31       | 2 Inch                           | Residential              |   |           |  | 4,981              |             | 5,815              |          | 835                  | 16.76%           |
| 32       | 4 Inch                           | Residential              | A                                       |           |  | -                  |             |                    |          |                      | 0.00%            |
| 33       | 5/8x3/4 Inch                     | Commercial               |   |           | 4  | 245                |             | 318                |          | 73                   | 30.00%           |
| 34       | 3/4 Inch                         | Commercial               | •                                       |           |  | 8,987              |             | 10,544             |          | 1,557                | 17.32%           |
| 35<br>36 | 1 inch<br>1.5 inch               | Commercial<br>Commercial |   |           |  | 28,013             |             | 33,136             |          | 5,123                | 18.29%           |
| 37       | 2 Inch                           | Commercial               |   |           |  | 118,831            |             | 137,507            |          | 18,676               | 15.72%           |
| 38       | 4 Inch                           | Commercial               |   |           |  | 684,406<br>242,692 |             | 801,050<br>277,275 |          | 116,644<br>34,582    | 17.04%           |
| 39       | 8 Inch                           | Commercial               |   |           |  | 10,786             |             | 13,432             |          | 2,646                | 14.25%<br>24.53% |
| 40       | 10 inch                          | Commercial               |   |           |  | 36,262             |             | 41,490             |          | 5,229                | 14.42%           |
| 41       | 5/8x3/4 Inch                     | Irrigation               |   |           |  | 906                |             | 1,056              |          | 150                  | 16.61%           |
| 42       | 3/4 Inch                         | Irrigation               |   |           |  | 58,536             |             | 67,423             |          | 8,887                | 15,18%           |
| 43       | 1 Inch                           | Irrigation               |   |           |  | 292,670            |             | 337,957            |          | 45,287               | 15.47%           |
| 44       | 1.5 Inch                         | Irrigation               |   |           |  | 342,197            |             | 392,060            |          | 49,863               | 14,57%           |
| 45       | 2 inch                           | Irrigation               |   |           |  | 1,777,002          |             | 2,033,354          |          | 256,352              | 14.43%           |
| 46       | 4 Inch                           | Irrigation               |   |           |  | 140,026            |             | 161,002            |          | 20,976               | 14.98%           |
| 47       | 1 Inch                           | MF                       |   |           |  | 1,558              |             | 2,135              |          | 577                  | 37.03%           |
| 48       | 1.5 Inch                         | MF                       |   |           |  | 47,101             |             | 54,451             |          | 7,350                | 15.61%           |
| 49       | 2 Inch                           | MF                       |   |           |  | 320,997            |             | 373,425            |          | 52,428               | 16.33%           |
| 50       | 4 Inch                           | MF                       |   |           |  | 47,487             |             | 54,683             |          | 7,195                | 15.15%           |
| 51       | 5/8x3/4 Inch                     | Fire                     |   |           |  | 28,594             |             | 37,120             |          | 8,526                | 29.82%           |
| 52<br>53 | 3/4 Inch<br>1 Inch               | Fire<br>Fire             |   |           |  | 2,879              |             | 3,736              |          | 857                  | 29.78%           |
| 54       | 1 11161)                         | Hydrant                  |   |           |  | 275<br>68,030      |             | 358<br>77 594      |          | 83<br>9,565          | 30.00%           |
| 55       |                                  | Sweeper                  |   |           |  | 700                |             | 77,594<br>798      |          | 98                   | 14.06%<br>14.06% |
| 56       | 8 inch                           | Goodyear                 |   |           |  | 128,952            |             | 142,421            |          | 13,469               | 10.44%           |
| 57       | 4 Inch                           | VUI                      |   |           |  | 3,060              |             | 3,978              |          | 918                  | 30.00%           |
| 58       | Declining Usag                   |                          | -                                       |           |  | (58,703            |             | (58,703)           |          |                      | 0.00%            |
| 59       | Revenue Annu                     |                          |   |           |  | 147,042            |             | 166,016            |          | 18,974               | 12.90%           |
| 60       | Subtotal                         |                          |   |           |  | \$ 10,964,740      |             | 12,387,640         | \$       | 1,422,901            | 12.98%           |
| 61       |                                  |                          |   |           |  |                    |             |                    |          | •                    |                  |
| 62       | Other Water R                    |                          |   |           |  | 235,723            |             | 235,723            |          | (0)                  | 0.00%            |
| 63       | Reconciling Ar                   | nount                    |   |           |  | 805                | i           | (584)              |          | (1,389)              | -172.55%         |
| 64       | Rounding                         | - D                      |   | 'er a gar |  |                    |             |                    |          |                      | 0.00%            |
| 65<br>56 | Total of Water                   | Kevenues                 |   | A 11      |  | \$ 11,201,268      | \$          | 12,622,779         | \$       | 1,421,511            | 12.69%           |
|          |                                  |                          |   |           |  |                    |             |                    |          |                      |                  |

SUPPORTING SCHEDULES: B-1 C-1 C-3 H-1

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Summary of Rate Base

Exhibit

Proposed Final Schedule B-1

Page 1

Witness: Bourassa

| Line            |                                      |    | riginal Cost   | _  | ir Value    |
|-----------------|--------------------------------------|----|----------------|----|-------------|
| <u>No.</u><br>1 |                                      | 2  | Rate base      | Ka | te Base     |
| 2               | Gross Utility Plant in Service       | \$ | 90,867,014     | \$ | 90,867,014  |
| 3               | Less: Accumulated Depreciation       | •  | 18,927,597     | •  | 18,927,597  |
| 4               |                                      |    |                |    | ,           |
| 5               | Net Utility Plant in Service         | \$ | 71,939,416     | \$ | 71,939,416  |
| 6               |                                      |    |                | ,  | , ,         |
| 7               | Less:                                |    |                |    |             |
| 8               | Advances in Aid of Construction      |    | 30,374,274     |    | 30,374,274  |
| 9               |                                      |    |                |    |             |
| 10              | Contributions in Aid of Construction |    | 7,425,812      |    | 7,425,812   |
| 11              |                                      |    |                |    |             |
| 12              | Accumulated Amortization of CIAC     |    | (1,285,854)    |    | (1,285,854) |
| 13              |                                      |    |                |    |             |
| 14              | Customer Meter Deposits              |    | 1,432,787      |    | 1,432,787   |
| 15              | Custmer Security Deposits            |    | 147,661        |    | 147,661     |
| 16              | Accumulated Deferred Income Tax      |    | 832,300        |    | 832,300     |
| 17              |                                      |    |                |    |             |
| 18              |                                      |    | *              |    |             |
| 19              | Plus:                                |    |                |    |             |
| 20              |                                      |    |                |    |             |
| 21              | Deferred Regulatory Assets TCE Plume |    | 91,069         |    | 91,069      |
| 22              | Deferred Tax Assets                  |    | <del>-</del> • |    | · -         |
| 23              | Allowance for Working Capital        |    | <b>-</b>       |    | 7           |
| 24              |                                      |    |                |    |             |
| 25              |                                      |    |                |    |             |
| 26              | Total Rate Base                      | \$ | 33,103,506     | \$ | 33,103,506  |
| 27              |                                      |    |                |    |             |
| 28              |                                      |    |                |    |             |
| 29              |                                      |    |                |    |             |
| 30              |                                      |    |                |    |             |
| 24              |                                      |    |                |    |             |

SUPPORTING SCHEDULES:

42 B-2

43 B-3

44 B-5

45 E-1 46

47 48

49

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Original Cost Rate Base Proforma Adjustments

Exhibit

Proposed Final Schedule B-2

Page 1

Witness: Bourassa

| Line                 |                                      |    | Adjusted<br>at<br>End of<br>Test Year |   | roforma<br>justment |       | Rejoinder<br>Adjusted<br>at end<br>of<br><u>Test Year</u> |  |
|----------------------|--------------------------------------|----|---------------------------------------|---|---------------------|-------|---|--|
| 1                    | Gross Utility                        | •  | 01 151 411                            |   | (20 4 207)          |       | 00.007.044  |  |
| 2                    | Plant in Service                     | \$ | 91,151,411                            |   | (284,397)           | \$    | 90,867,014  |  |
| 3<br>4               | Less:                                |    |                                       |   |                     |       |   |  |
| 5                    | Accumulated                          |    |                                       |   |                     |       |   |  |
| 6                    | Depreciation                         |    | 16,514,086                            |   | 2,413,511           |       | 18,927,597  |  |
| 7                    | <b>20</b> p. <b>30</b> 10.001        |    | ,,                                    |   | 2, 110,011          |       | 10,021,007  |  |
| 8                    |                                      |    |                                       |   |                     |       |   |  |
| 9                    | Net Utility Plant                    |    |                                       |   |                     |       |   |  |
| 10                   | in Service                           | \$ | 74,637,324                            |   |                     | \$    | 71,939,416  |  |
| 11                   |                                      |    |                                       |   |                     |       |   |  |
| 12                   | Less:                                |    |                                       |   |                     |       |   |  |
| 13                   | Advances in Aid of                   |    |                                       |   |                     |       |   |  |
| 14                   | Construction                         |    | 30,374,274                            |   | -                   |       | 30,374,274  |  |
| 15                   |                                      |    |                                       |   |                     | *     |   |  |
| 16                   | Contributions in Aid of              |    |                                       |   |                     |       |   |  |
| 17                   | Construction - Gross                 |    | 7,324,578                             |   | 101,234             |       | 7,425,812   |  |
| 18                   | ·                                    |    |                                       |   |                     |       | * *   |  |
| 19                   | Accumulated Amortization of CIAC     |    | (1,489,772)                           |   | 203,918             |       | (1,285,854)   |  |
| 20                   |                                      |    |                                       |   |                     |       |   |  |
| 21                   | Customer Meter Deposits              |    | 1,271,802                             |   | 160,985             |       | 1,432,787   |  |
| 22                   | Custmer Security Deposits            |    | 140,147                               |   | 7,514               |       | 147,661   |  |
| 23                   | Accumulated Deferred Income Tax      |    | 1,459,075                             |   | (626,775)           |       | 832,300   |  |
| 24                   |                                      |    |                                       |   |                     |       | •   |  |
| 25<br>26             |                                      |    |                                       |   |                     |       |   |  |
| 2 <del>0</del><br>27 | Plus:                                |    |                                       |   |                     |       |   |  |
| 28                   | L.IMO.                               |    |                                       |   | •                   |       |   |  |
| 29                   | Deferred Regulatory Assets TCE Plume |    | 90,381                                |   | 688                 |       | 91,069  |  |
| 30                   | Prepayments                          |    |                                       |   | 333                 |       | ,   |  |
| 31                   | Materials and Supplies               |    | -                                     |   |                     |       | -   |  |
| 32                   | Working capital                      |    |                                       |   | -                   |       | . •   |  |
| 33                   |                                      |    |                                       |   |                     |       | •   |  |
| 34                   |                                      |    |                                       | _ |                     |       |   |  |
| 35                   | Total                                | \$ | 35,647,602                            | • |                     | \$    | 33,103,506  |  |
| 36                   |                                      |    |                                       | - |                     |       |   |  |
| 37                   |                                      |    |                                       |   |                     |       |   |  |
| 38                   |                                      |    |                                       |   |                     |       |   |  |
| 39                   |                                      |    |                                       |   |                     |       |   |  |
| 40                   |                                      |    |                                       |   |                     |       |   |  |
| 41                   |                                      |    |                                       |   |                     |       |   |  |
| 42                   |                                      |    |                                       |   |                     |       |   |  |
| 43                   |                                      |    |                                       | • |                     |       |   |  |
| 44                   |                                      |    |                                       |   |                     |       |   |  |
| 45                   | CLIDBODTING COLUED II EC.            |    |                                       |   |                     | DECAR | COLEDUI EO:   |  |
| 46                   | SUPPORTING SCHEDULES:                |    |                                       |   |                     | B-1   | SCHEDULES:  |  |
| 47<br>48             | B-2, pages 2                         |    |                                       |   |                     | D-1   |   |  |

48

49 50 51

E-1

74437

| Adjusted 1  at End of Plant-In- Act  Test Year Service De  \$ 91,151,411 (284,397)  16,514,086  16,514,086  7,324,574  ant \$ 74,637,324 \$ (284,387) \$  and of 7,324,578  Admort of CIAC (1,489,772)   | 2<br>Accumulated<br>Depreciation Co | Proforma             |                         |  | Villess, Dougassa                  |
|--|-------------------------------------|----------------------|-------------------------|--|------------------------------------|
| Adjusted 1 at and of Plant-In- Act Test Year Service De \$ 91,151,411 (284,397)  \$ 74,637,324 \$ (284,397) \$  tof CIAC (1,489,772)   |                                     | •                    | ents                    |  | Rejoinder                          |
| End of Plant-In- Act Test Year Service De Test Year Service De 1,151,411 (284,397)    ant \$ 91,151,411 (284,397)    16,514,086  |                                     | ক।<br>ক।             | 5<br>Customer           | 6 Zustomer                                 |                                    |
| ant \$ 91,151,411 (284,397).  16,514,086  Aid of 30,374,274  S in Aid of 7,324,578  Amort of CIAC (1,489,772)  |                                     | CIAC ADIT            |                         | Regulatory Meter<br>Assets <u>Deposits</u> | of<br>Test Year                    |
| ulated clation.  16,514,086  18,514,086  19,514,086  1 |                                     |                      |                         |  | 90,867,014                         |
| \$ 74,637,324 \$ (284,397) \$ 30,374,274  C) 7,324,578  tof CIAC (1,489,772)   | 2,413,511                           |                      |                         |  | 18,927,597                         |
| Less: Advances in Aid of 30,374,274 Construction Contributions in Aid of 7,324,578 Construction (CIAC) (1,489,772)   | (2,413,511) \$                      | <b>.</b>             | ю<br>1<br>19            | ь<br>ь                                     | \$ 71,939,416                      |
|  |                                     |                      |                         | e e  | 30,374,274                         |
|  |                                     | 101,234              |                         |  | 7,425,812                          |
|  |                                     | 203,918              |                         |  | (1,285,854)                        |
| Customer Meter Deposits 1,271,802 Customer Security Deposits 140,147 Accumulated Deferred Income Taxes 1,459,075   |                                     | (626,775)            | 7,514                   | \$ 160,985                                 | 35 1,432,787<br>147,661<br>832,300 |
| Plus:  |                                     |                      |                         | ;  | 600.70                             |
| me 90,   |                                     |                      |                         | 8899<br>9                                  | 200 in                             |
| Allowance for Cash Working Capital  \$ 35,647,602 \$ (284,397) \$ (  | (2,413,511) \$ (                    | (305,152) \$ 626,775 | 5 \$ (7,514) \$         | 688 \$ (160,985)                           | 35) #. \$ 33,103,506               |
| PORTING SCHEDULES:<br>pages 3-9  |                                     |                      | RECAP SCHEDULES:<br>B-1 | , al                                       |                                    |
| 40<br>41   |                                     |                      |                         |  |                                    |

DECISION NO. \_\_\_\_\_

|                |  |   |  |                  |                 |                  |                              |                  | nchibit  |            |
|----------------|--|---|--|------------------|-----------------|------------------|------------------------------|------------------|--|------------|
|                | Litchfield Pa  | Litchfield Park Service Company - water Division dba Liberty Outlies Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 | ter Division aba<br>ember 31, 2012<br>oforma Adjustme<br>imber 1 | Liberty Cultures |                 |                  |                              |                  | Proposed Final Schedule B-2<br>Page 3<br>Witness: Bourassa | ule B-2    |
|                |  | Plant-in-Service  | Nice   |                  |                 |                  |                              |                  |  |            |
| 를 양 <b>.</b>   |  |   | <  | . 60             | <b>V</b>        | Adjustments<br>D | 114                          | ш                | Ø  |            |
| ۰ -            |  |   | 3.   | 4                |                 |                  |                              | :                | Adjustments  | Rejoinder  |
|                |  | Adjusted  | Train  | Piant            | Plant Not       | Duplicate        | Retirement<br>Transportation | Retirements      | to Recondie<br>Plant to                                    | Adjusted   |
|                | Acct.  | Cost  | Accrueis   | Reclassification | Used and Useful | Invoices         | Equipment                    | Reclassification | Reconstruction   | Cost       |
| ဂဏ             | 301 Organization Cost  | 21,100  |  |                  |                 |                  |                              |                  | •  | 21,100     |
|                | 302 Franchise Cost   | •   |  |                  |                 |                  |                              |                  | , ,  | 1,450,278  |
| 60             | _  | 1,456,278   | (178 617)  | (2.776.772)      | (6,156)         | (3,000)          |                              |                  | •  | 25,036,371 |
| on \$          | 304 Structures and Improvements 305 Collection and Impounding Res. |   | (112)  | į                |                 |                  |                              |                  | •  | •          |
| 2 ∓            |  |   |  |                  |                 |                  |                              |                  | . =  | 3 214 114  |
| : 2            | -  | 3,097,345   | (18,108)   | 134,878          |                 |                  |                              |                  | 9 ,  |            |
|                |  |   |  |                  |                 |                  |                              |                  |  | ,          |
|                | 309 Supply Mains   | 1   |  | •                |                 |                  |                              |                  |  | 225,130    |
| 15             |  | 207,020   |  | 16,11            |                 |                  |                              |                  |  | 874,290    |
|                |  | 897,792   |  | (23,502)         |                 |                  |                              |                  |  | •          |
| 17             | 320 Water Treatment Equipment                                      |   |  | 100 000          |                 |                  |                              |                  | •  | 3,425,394  |
| 18             |  | 1,696,759   |  | 1,720,633        |                 |                  |                              |                  |  | •          |
|                | _  | 271 001   |  |                  |                 |                  |                              |                  |  | 492,176    |
|                |  | 492,170   |  | 901.841          |                 |                  |                              |                  | •  | 901,841    |
| 5 5            | 330.1 Storage tanks  | •   |  |                  |                 |                  |                              |                  | 1  | 1 1        |
|                | -  | 40,259,045  |  |                  |                 |                  |                              | (2,859)          | 0  | 40,256,187 |
|                |  | 5,350,963   |  |                  |                 |                  |                              |                  | •  | 4 759 560  |
|                |  | 4,759,560   |  |                  |                 | 1809 ()          |                              |                  | ,  | 3.302.148  |
|                |  | 3,304,755   |  |                  |                 | (2,000)          |                              |                  | • •  | 38,387     |
| 27             |  | 38,387  |  |                  |                 |                  |                              |                  | •  | 259,531    |
| 28             | 339 Other Plant and Misc. Equip. 340 Office Furniture and Fixtures | 651.098   |  | 6,555            |                 |                  |                              |                  |  | 657,653    |
|                |  | •   |  | 7,995            |                 |                  |                              |                  |  | 7.995      |
|                |  | 307,592   |  |                  | • •             |                  | (17,555)                     | (55,341)         | -  | 37 143     |
| 32             | 342 Stores Equipment   | 37,143  |  |                  |                 |                  |                              |                  | , ,  | 47.434     |
|                |  | 47,434  |  |                  |                 |                  |                              |                  | •  | 5,803      |
|                |  | 5,803   |  |                  |                 |                  |                              | 18,003           | <b>(</b> )   | 18,003     |
| 35             | 345 Power Operated Equipment 346 Communications Foundant           | 128,402   |  |                  |                 |                  |                              |                  | 1  | 128,402    |
| 37             |  | •   |  |                  |                 |                  |                              |                  | •  | 100 444    |
| 88             |  | 132,312   |  | (9,897)          |                 |                  |                              |                  | .€   | 122,4 14   |
| 36             | Rounding   | , , , , , , ,   | -  | 40 455) 6        | (42 156)        | \$ (5 BOB) \$    | (17 555)                     | \$ (40.196)      | 8  | 90,867,014 |
| <b>4</b>       | TOTALS   | \$ 91,151,411 \$  | (196,725)  | (14,130)         | (14, 130)       | 9                |                              |                  | •  |            |
| ± 4            | Adjusted Plant in Service  |   |  |                  |                 | í                |                              |                  | *  | 91,151,411 |
| •              |  |   |  |                  |                 |                  | ٠                            |                  |  | (284.397)  |
|                | increase (decrease) in Plant-in-Service                            |   |  |                  |                 |                  |                              |                  | •  |            |
| 45<br>46<br>Ac | Adjustment to Plant-in-Service                                     |   |  |                  |                 |                  |                              |                  | *  | (284,397)  |
|                |  |   |  |                  |                 |                  |                              |                  |  |            |
|                | SUPPORTING SCHEDULES   |   |  |                  |                 |                  |                              |                  |  |            |
| 49 B-          | B-2, pages 3.1 to 3.7  |   | ,  |                  |                 |                  |                              |                  |  |            |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - A

Exhibit Proposed Final Schedule B-2 Page 3.1 Witness: Bourassa

Line No. 1 2 True-Up of Accruals 4 Acct. Adjustment (178,617) No. Description 7 Structures and Improvements Wells and Springs (18, 108)28 34 **TOTALS** (196,725) SUPPORTING SCHEDULE Staff Adjustment #3 

Litchfield Park Service Company - Water Division dba Liberty Utilities

Test Year Ended December 31, 2012

Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - B

Exhibit Proposed Final Schedule B-2 Page 3.2 Witness: Bourassa

| Acct                            |   |   |  |   |  |
|---------------------------------|---|---|--|---|--|
| No.<br>304<br>307<br>310<br>311 | <u>Description</u> Structures and Improvements Wells and Springs Power Generation Equipment               |   |  |   | Adjustment<br>(2,776,772)<br>134,878<br>18,111<br>(23,502) |
| 320.<br>330.<br>340             | 1 Water Treatment Plant<br>1 Storage tanks<br>2 Office Furniture and Fixtures<br>1 Computers and Software |   |  |   | 1,728,635<br>901,841<br>6,555<br>7,995<br>(9,897)          |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   | •  |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   |  |
|                                 |   |   |  |   |  |
|                                 | •   | • |  |   | :  |
|                                 |   |   |  | , | *  |
|                                 |   |   |  |   |  |
|                                 | TOTALS  |   |  |   | \$ (12,156)  |
| SUPF                            | PORTING SCHEDULE  |   |  |   |  |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - C

Exhibit Proposed Final Schedule B-2 Page 3.3 Witness: Bourassa

Line <u>No.</u> Plant Not Used and Useful Acct. No. Description Adjustment Land and Land Rights (6,000) Structures and Improvements (6,156)27 **TOTALS** (12,156) SUPPORTING SCHEDULE Staff Adjustment #6 45 Staff Table 6 - Not Used and Useful Plant Items

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Exhibit Proposed Final Schedule B-2 Page 3.4 Witness: Bourassa

(3,000)

(2,608)

Adjustment Number 1 - D

Line

(5,608)

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - E

Exhibit Proposed Final Schedule B-2 Page 3.5 Witness: Bourassa

Line No. Retirement of Transportation Equipment Acct. <u>No.</u> 341 Description <u>Adjustment</u> Transportation Equipment (17,555) 33 (17,555) TOTALS SUPPORTING SCHEDULE Staff Adjustment #7 45

## Litchfield Park Service Company - Water Division dea Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - F

<sup>1</sup> Post last test year end date

Exhibit Proposed Final Schedule B-2 Page 3.6 Witness: Bourassa

| Line<br>No. |             |  |                     | ,                                   |      |     |          |
|-------------|-------------|--|---------------------|-------------------------------------|------|-----|----------|
| 1<br>2<br>3 | Retirem     | <u>ents</u>  |                     |                                     |      |     |          |
| 4           | Acct.       |  |                     | Year                                |      |     |          |
| 5           | No.         | Description  |                     | Reflected on B-2 Plant <sup>1</sup> |      | Adi | ustment  |
| 6           | 341         | Transportation Equipment   |                     | 2008                                |      | \$  | (40,196) |
| 7           |             |  |                     |                                     |      |     |          |
| 8<br>9      |             |  | ***                 |                                     |      | \$  | (40,196) |
| 10          | Reclass     | sifications  |                     |                                     |      |     |          |
| 11          | 1100000     | moditorio  | ů.                  |                                     |      |     |          |
| 12          | Acct.       |  |                     | Year                                |      |     |          |
| 13          | No.         | Description  | Year                | Reflected on B-2 Plant <sup>1</sup> | ** . | Ad  | ustment  |
| 14          | 341         | Transportation Equipment   | 1.425.40            | see below                           |      | \$  | (15,144) |
| 15<br>16    | .331<br>345 | Trans. and Dist. Mains   | 2012                | 2012                                |      |     | 3,985    |
| 17          | 331         | Power Operated Equipment Trans. and Dist. Mains  | 2008<br>2006        | 2008<br>2008                        |      |     | 18,003   |
| 18          | 001         | Trans. and Dist. wairig  | 2000                | 2000                                |      |     | (6,844)  |
| 19          |             | e de la companya de  | 5 4 1 1 15 15 15 15 |                                     |      | \$  | •        |
| 20          |             |  |                     |                                     |      |     |          |
| 21          |             |  |                     |                                     |      |     |          |
| 22<br>23    |             |  |                     |                                     |      |     |          |
| 24          |             |  |                     |                                     |      |     |          |
| 25          |             |  |                     |                                     |      |     |          |
| 26          |             |  |                     |                                     |      |     |          |
| 27          |             |  |                     |                                     |      |     |          |
| 28<br>29    |             |  |                     |                                     |      |     |          |
| 30          |             |  |                     |                                     |      |     |          |
| 31          |             |  |                     |                                     |      |     |          |
| 32          |             |  |                     |                                     |      |     |          |
| 33          |             |  |                     |                                     |      |     |          |
| 34<br>35    |             |  |                     |                                     |      |     |          |
| 36          |             |  |                     |                                     |      |     |          |
| 37          |             |  | -                   |                                     |      |     |          |
| 38          |             |  |                     |                                     |      |     |          |
| 39          |             | The state of the s |                     |                                     |      |     |          |
| 40<br>41    |             | Total Adjustment   |                     |                                     |      | \$  | (40,196) |
| 41<br>42    | SUPPO       | RTING SCHEDULE   |                     |                                     |      |     |          |
| 43          | Work o      | apers - Supplemental Response to R   | RUCO 6.01           | •                                   |      |     |          |
| 44.         |             |  |                     | •                                   |      |     |          |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 1 - G

**Exhibit** Proposed Final Schedule B-2 Page 3.7 Witness: Bourassa

| Line       |        |   |                     |  |                |                |                   |
|------------|--------|---|---------------------|--|----------------|----------------|-------------------|
| <u>No.</u> |        |   |                     | ,                                      |                |                |                   |
| 1          | Reconc | iliation of Plant to Plant Reconstruction | <u>on</u>           |  |                |                |                   |
| 2          |        |   |                     |  | Rejoinder      | Rejoinder      |                   |
| 3          |        |   | Adjusted            |  | Adjusted       | Plant          |                   |
| . 4        | Acct.  |   | Orginal             | B-2                                    | Orginal        | Per            |                   |
| 5          | No.    | <u>Description</u>                        | <u>Cost</u>         | <u>Adjustments</u>                     | <u>Cost</u>    | Reconstruction | <u>Difference</u> |
| 6          | 301    | Organization Cost                         | 21,100              | -                                      | 21,100         | 21,100         | -                 |
| 7          | 302    | Franchise Cost                            | •                   | -                                      | . •            | -              |                   |
| 8          | 303    | Land and Land Rights                      | 1,456,278           | (6,000)                                | 1,450,278      | 1,450,278      |                   |
| 9          | 304    | Structures and Improvements               | 28,000,916          | (2,964,545)                            | 25,036,371     | 25,036,371     |                   |
| 10         | 305    | Collecting and Impounding Res.            | •                   | -                                      | -              | •              | -                 |
| 11         | 306    | Lake River and Other Intakes              | -                   | <ul> <li>↓ \( \tau_{i_0} \)</li> </ul> | -              | _              | -                 |
| 12         | 307    | Wells and Springs                         | 3,097,345           | 116,770                                | 3,214,114      | 3,214,114      | (0)               |
| 13         | 308    | Infiltration Galleries and Tunnels        | -                   |  |                | . ,            | - '               |
| 14         | 309    | Supply Mains                              |                     | . •                                    | -              | -              | <u>-</u>          |
| 15         | 310    | Power Generation Equipment                | 207,020             | 18,111                                 | 225,130        | 225,130        |                   |
| 16         | 311    | Electric Pumping Equipment                | 897,792             | (23,502)                               | 874,290        | 874,290        | -                 |
| 17         | 320    | Water Treatment Equipment                 | -                   | -                                      | •              |                | -                 |
| 18         | 320.1  | Water Treatment Plant                     | 1,696,759           | 1,728,635                              | 3,425,394      | 3,425,394      |                   |
| 19         | 320.2  | Chemical Solution Feeders                 | -                   |  | , , , <u>.</u> | -              | •                 |
| 20         | 330    | Dist. Reservoirs & Standpipe              | 492,176             |  | 492,176        | 492,176        | -                 |
| 21         | 330.1  | Storage tanks                             | •                   | 901,841                                | 901,841        | 901,841        | •                 |
| 22         | 330.2  |   | -                   |  | -              | •              |                   |
| 23         | 331    | Trans, and Dist. Mains                    | 40,259,045          | (2,859)                                | 40,256,187     | 40,256,187     | 0                 |
| 24         | 333    | Services                                  | 5,350,963           |  | 5,350,963      | 5,350,963      |                   |
| 25         | 334    | Meters                                    | 4,759,560           |  | 4,759,560      | 4,759,560      | _                 |
| 26         | 335    | Hydrants                                  | 3,304,755           | (2,608)                                | 3,302,147      | 3,302,148      | 0                 |
| 27         | 336    | Backflow Prevention Devices               | 38,387              | -                                      | 38,387         | 38,387         |                   |
| 28         | 339    | Other Plant and Misc. Equip.              | 259,531             | -                                      | 259,531        | 259,531        | -                 |
| - 29       | 340    | Office Furniture and Fixtures             | 651,098             | 6.555                                  | 657,653        | 657,653        |                   |
| 30         | 340.1  | Computers and Software                    | •                   | 7,995                                  | 7,995          | 7,995          | -                 |
| 31         | 341    | Transportation Equipment                  | 307,592             | (72,896)                               | 234,696        | 234,697        | . 1               |
| 32         | 342    | Stores Equipment                          | 37,143              | (, =, -, -,                            | 37,143         | 37,143         |                   |
| 33         | 343    | Tools and Work Equipment                  | 47,434              | -                                      | 47,434         | 47,434         | _                 |
| 34         | 344    | Laboratory Equipment                      | 5,803               | <u>.</u> '                             | 5,803          | 5,803          |                   |
| 35         | 345    | Power Operated Equipment                  |                     | 18.003                                 | 18,003         | 18,003         | (0)               |
| 36         | 346    | Communications Equipment                  | 128,402             |  | 128,402        | 128,402        | - (0)             |
| 37         | 347    | Miscellaneous Equipment                   | ,                   | _                                      | 120,702        | 120,702        | -                 |
| 38         | 348    | Other Tangible Plant                      | 132,312             | (9,897)                                | 122,414        | 122,414        | -                 |
| 39         | 340    | Rounding                                  | 102,012             | (0,001)                                | 1221717        | 122,717        | (1)               |
| 40         |        | TOTALS                                    | \$ 91,151,411       | \$ (284,397) \$                        | 90.867.014     | \$ 90,867,015  | \$ 0              |
| 70         |        | TOTALO                                    | <b>4</b> 01,101,111 | Ψ (207,001) Ψ                          | 410,100,00     | ₩ 50,001,010   | Ψ                 |

42

SUPPORTING SCHEDULE B-2, pages 3.1 through 3.6 B-2, pages 3.8 through 3.12 44

Exhibit
Proposed Final Schedule B-2
Page 3.6
·-Witness: Bourassa

|          |         |  | •         | Per Decision | sion       |                  |          |             |             | 2           | 2008        |          |              |              |           |
|----------|---------|--|-----------|--------------|------------|------------------|----------|-------------|-------------|-------------|-------------|----------|--------------|--------------|-----------|
|          | 200414  |  | Allowed   |              | Accum      | Plant            |          |             | Adjusted    | Plant       | Adjusted    |          | 3 months     |              |           |
| :        | NAMO.   |  | 2         | Diento       | Denter At  | Additions        | Plant    | Plant       | Plant       | Refirements | Plant       | Salvage  | Depreciation | Plant        | Accum.    |
| ŝ        | Account |  | Caprac    | ייופוו פו    | Capter. At | (Der Booke)      | ŧ        | Adjustments | Additions   | (Per Books) | Retirements | A/D Only | (Calculated) | Balance      | Deprec.   |
| 쉳        | ġ       | Cescription  |           | BION YOUR    | 0007000    | Telegraph of the |          |             |             |             |             |          |              |              | •         |
|          |         |  |           | ***          |            |                  |          |             | ,           |             | ,•          |          |              | 21,100       | •         |
| -        | 301     | Organization Cost  | 8000      | 21,100       | ,          | •                |          |             |             |             |             |          |              |              | •         |
| ~        | 305     | Franchise Cost   | %00.0     |              | •          | •                |          |             |             |             | •           |          | •            | 048 803      |           |
| e        | 303     | Land and Land Rights   | %00.0     | 1,284,595    |            | (367,902)        |          |             | (367,902)   |             |             |          |              | 560,006      | 244       |
| , -      | 2       | Structures & Improvements  | 3.33%     | Ň            | 404,889    | (1,026,408)      | (20,938) |             | (1,047,346) |             | •           |          | 200,845      | 23,601,905   | PU2'V14   |
| r u      | 5 6     | Collection & Impounding Reservoirs   | 2.50%     |              | . •        | •                |          |             | •           |             |             |          | •            | •            | •         |
| ,        | 3       | and the second s | 2 60%     |              | •          | ,                |          |             |             |             | •           |          | •            |              | ,         |
| ופ       | 9 5     | Lake, Kiver, Californianes   | 3 3 3 3 % | 2 393 491    | 631 793    | 163              |          |             | 163         |             |             |          | 19,925       | 2,393,653    | 651,720   |
| _        | è       | Weils & Springs  | 2000      | 10001        | }          |                  |          |             | •           |             | •           |          |              | ,            | •         |
| 60       | 308     | _  | 0.07%     | •            | ,          | •                |          |             | 1           |             |             |          |              |              |           |
| o        | 308     | _  | 2.00%     |              |            | •                |          |             | •           | ~           |             |          | 2 528        | 202.269      | 58,932    |
| 9        | 310     | Power Generation Equipment   | 5.00%     | 202,269      | 56,403     | •                |          |             |             | , 02 00,    | 102.007     |          | 22.260       | 508 184      | 109 713   |
| Ξ        | 311     | Pumping Equipment  | 12.50%    | 917,055      | 598,038    | 11,723           | •        |             | 11,723      | 420,584     | 420,034     |          | 203134       | 1            |           |
| 2        | 320     | Water Treatment Equipment  | 3.33%     | •            | •          |                  |          |             |             |             |             |          |              | 100,100      | 64 063    |
| 2 5      | 220.1   |  | 3,33%     | 1,337,824    | 41,009     | (46,530)         |          |             | (46,530)    |             |             |          | 10,944       | 467'167'I    | 20,40     |
| 2;       | 200     |  | 20 00%    |              | . •        |                  |          |             |             |             |             |          | • !          | . ;          | . !       |
| *        | 350.2   |  | 3         | 776 067      | 174 417    | 900              |          |             | 909         |             | •           |          | 2,439        | 439,844      | 176,856   |
| 13       | 330     | 5  | 2.22.70   |              |            |                  |          |             | •           |             |             |          |              | •            | •         |
| 16       | 330.1   |  | 2.22%     |              | •          | •                |          |             |             |             | ٠           |          | •            |              | •         |
| 11       | 330.2   |  | \$.00%    |              | •          |                  |          | 476         | 706 404     |             | •           |          | 146.360      | 29,625,186   | 3,991,099 |
| Ð        | 331     | Transmission & Distribution Mains  | 2.00%     | ⊼            | 3,844,739  | 724,203          | (10,868) | (0,044)     | 184,007     |             |             |          | 24 965       | 4.394.377    | 936.664   |
| £        | 333     |  | 3.33%     |              | 669'006    | 164,164          | (15,625) |             | 148,539     |             |             |          | BE 131       | 4 138 815    | 2 017 760 |
| 20       | 334     | Meters   | 8.33%     | 4,133,092    | 1,931,528  | 5,723            |          |             | 5,723       |             |             |          | 20.00        | 0.000.7      |           |
| 2        | 335     |  | 2.00%     | 2,055,781    | 163,913    | 91,012           |          |             | 91,012      |             |             |          | 10,506       | 2,146,793    | 1/4.420   |
| 3        | 8       |  | 8.67%     | 38,387       | 7,546      | •                |          |             | •           |             |             |          | 840          | 38,387       | 981.9     |
| ; ;      | 330     |  | 6.67%     |              | 33,497     |                  |          |             |             |             |             |          | 4,328        | 259,531      | 37,825    |
| 3 4      | 3 5     |  | 6.67%     |              | 124,987    |                  |          |             | •           |             | •           |          | 9,201        | 551,757      | 134,187   |
| 35       | 340.1   |  | 20.00%    | •            | ٠          |                  |          |             |             |             | i           |          | •            |              | . ;       |
| 3 6      | 5       | •  | 20.00%    | 174,415      | 83,060     | ,                |          | (11,159)    | (11,159)    | 40,196      | 40,196      |          | 7,437        | 123,060      | 50,301    |
| 8 7      | 3       |  | 4 00%     | 31,711       | 1.586      | •                |          |             |             |             |             |          | 317          | 31,711       | 1,903     |
| 3 8      | 5 6     |  | \$ 00%    | 23,350       | 7,113      |                  |          |             | •           |             |             |          | 292          | 23,350       | 7,405     |
| 8 8      | ? ?     | _  | 10.00%    |              | •          | •                |          |             |             |             | •           |          |              | ٠            | •         |
| <b>P</b> | ξ ;     |  | 7000      |              | '          |                  |          | 18,003      | 18,003      |             |             |          | 113          | 18,003       | 113       |
| e 2      | g 5     | Power Operated Equipment   | 2000      | 119 710      | 21 730     | •                |          | 1           | . '         |             | ť           |          | 2,993        | 119,710      | 24,723    |
| 5        | 5       |  | 40.000    |              |            |                  |          |             |             |             | •           |          | ,            | •            |           |
| 35       | हे      |  | 20.00%    | <i>'</i> .   |            | 3276             |          |             | 2.475       |             | •           |          | 93           | 2,475        | 33        |
| 33       | 2,5     | _  | 10.00%    | ,            |            | 6,473            |          |             | ī           |             |             | ٠.       | •            |              | •         |
| 38       |         | Plant Held for Future Use  |           |              |            |                  |          |             | •           |             | ,           |          |              |              |           |
| 32       |         |  |           |              |            |                  |          |             |             |             | our con     |          | 200 202      | 800 878 VZ   | 0 120 503 |
| 5        |         | TOTALS   | _         | 71,797,096   | 9,027,027  | (440,777)        | (47,431) |             | (488,208)   | 460,790     | 460,790     |          | 202,202      | 10,0±0,0±0,0 | 3,160,000 |

Litchfield Park Service Company - Water Division day Liberty Utilities
Plant Additions and Relitements

Litchfield Park Sarvice Company - Water Division dba Liberty Utilities
Plant Additions and Retirements

Exhibit Proposed Final Schedule B-2 Page 3.9 Witness: Bourassa

|          |                                      | _               |              |             |               |           | 2           | 2009        |        |                   |             |  |
|----------|--------------------------------------|-----------------|--------------|-------------|---------------|-----------|-------------|-------------|--------|-------------------|-------------|--|
|          |                                      |                 |              |             |               | Adimen    | Diant       | Adjusted    |        |                   |             |  |
| ALABI IC |                                      | Allowed         | Plant        |             |               | Adjusted  |             |             | Onking | Conceniation      | Plant       | Accum.                                 |
|          |                                      | Depres          | Additions    | Plant       | Plant         | Piez      | Retirements | Tigoti      | DRAIRO | Telephone and and | -           | Decree                                 |
| Account  |                                      | i de            | (adambe)     | Adinetmente | Adiustments   | Additions | (Per Books) | Retirements | AID ON | Calculated        | Dalance     |  |
| 2        | Description                          |                 | I'ver powers |             |               |           |             |             |        |                   |             |  |
|          |                                      |                 |              |             |               |           |             | •           |        |                   | 21,100      | ,                                      |
| 301      | Omanization Cost                     | %00.0           | •            |             | •             |           |             | į           |        |                   | •           | •                                      |
| 3 8      | the Control of                       | 0.00%           | •            |             |               |           |             |             |        | 4                 | 1 009 188   | •                                      |
| 306      | i                                    | 75000           | 92.495       | •           | •             | 92,495    |             | •           |        |                   | 23 500      | 1 303 852                              |
| 8        | Land and Land Rights                 | 200             | 200 470      | 194 084)    | (1 036 94R)   | 131.787   |             | •           |        | 788,138           | 720'00'1'07 | ************************************** |
| 304      | Structures & Improvements            | 3.33%           | 1,190,18     | (*06,1%)    | (000,000,000) |           |             |             |        | •                 |             | •                                      |
| Š        | Collecting & Impounding Reservoirs   | 2.50%           | •            |             | •             | •         |             |             |        |                   | ,           | •                                      |
| 3        | and the second second                | 2 50%           |              |             |               | •         |             | •           |        | 20.440            | 0000        | 740 860                                |
| 9        | Lake, Kiver, Canal makes             | 200             | 504 240      | (773)       | 65.920        | 566,457   |             |             |        | 7 × ×             | 7,000,110   | 2                                      |
| 307      | Wells & Springs                      | 5.55%           | 200,100      | 6           |               |           |             | •           |        |                   | ٠           | •                                      |
| 308      | Infiltration Galleries               | 6.67%           | • .          |             | •             |           |             | •           |        |                   |             | •                                      |
| 6        | Saint Mains Supply Mains             | 2.00%           | •            |             | •             | •         |             |             |        | 10 113            | 202,289     | 69,045                                 |
| 9        |                                      | 5 00%           | •            |             | •             | •         |             | . :         |        | 066.60            | 505 241     | 228 044                                |
| 310      | Power Generation Equipment           |                 | 77070        |             | 10.851        | 32,065    | 35,008      | 35,008      |        | Acc'50            | 2000        |  |
| 31       | Pumping Equipment                    | 12.50%          | 41717        | •           |               | i         |             | •           |        |                   | ٠           | •                                      |
| 320      | Water Treatment Equipment            | 3.33%           |              |             | •             |           |             | •           |        | 47,417            | 1,556,602   | 99,370                                 |
| 3        |                                      | 3.33%           | 2,479        | (24,987)    | 287,816       | 205,300   |             |             |        |                   | •           | •                                      |
| 350      |                                      | 30000           |              |             | •             |           |             | •           |        | 107               | 170 077     | 185 R21                                |
| 320.2    |                                      | KU.00.0         |              |             |               | ,         |             | •           |        | 8,765             | 440,804     | 20.00                                  |
| 330      | Distribution Reservoirs & Standpipes | 2.22%           | •            |             | 900           | 986 430   |             | •           |        | 7,374             | 664,366     | 1.374                                  |
| 330      |                                      | 2.22%           | •            |             | 904,300       | 205,400   |             | •           |        | •                 | •           | •                                      |
| 230.2    |                                      | 5.00%           | ,            |             | •             |           |             | •           |        | 611,379           | 31,512,683  | 4,602,477                              |
| 3        | ,                                    | 2.00%           | 1,906,160    | (18,664)    |               | 1,667,490 |             |             |        | 172 648           | 5.974,892   | 1,109,312                              |
| 331      |                                      | 2 2 3 3 3 3 5 7 | _            | •           |               | 1,580,515 |             | •           |        | 2000              | 4 400 288   | 2 3K4 67                               |
| 333      | Services                             | 200             |              |             | •             | 51.571    |             | •           |        | 16,040            | 190,000     | 1                                      |
| 334      | Meters                               | 8,33%           |              |             |               | 300 661   |             | ٠           |        | 46,032            | 2,456,454   | 750,452                                |
| 335      | Hydrants                             | 2.00%           | 309,661      |             | •             | 200       |             |             |        | 2.560             | 38,387      | 10,746                                 |
| 336      | Backflow Prevention Devices          | 6.67%           |              |             | •             | •         |             | •           |        | 17,311            | 259,531     | 55,135                                 |
| 339      |                                      | 8.67%           | •            |             |               | •         |             | •           |        | 36 802            | 551,757     | 170,990                                |
| 970      | Office Furnitum & B                  | 6.67%           | •            |             |               | •         |             |             |        | 800               | 7,995       | 800                                    |
| 340.1    |                                      | 20.00%          | •            |             | 7,995         | 688'/     |             |             |        | 24 612            | 123,060     | 74,913                                 |
|          |                                      | 20.00%          | •            |             | •             | •         |             | •           |        | 4 288             | 31 711      | 3 171                                  |
| 5 8      |                                      | 4.00%           |              |             |               | •         |             |             |        | 504.              | 22 350      | R 573                                  |
| 745      |                                      | 400%            | •            |             |               | •         |             |             |        | 1,100             | 70,04       | i                                      |
| 343      |                                      | 2000            |              |             |               | •         |             | •           |        | •                 | • !         |  |
| 344      | _                                    | 10.00%          |              |             |               |           |             |             |        | 800               | 18,003      | 1,013                                  |
| 345      | _                                    | \$00%           | •            |             | •             |           |             | ٠           |        | 11,971            | 119,710     | 36,694                                 |
| 346      | Communication Equipment              | 10.00%          |              |             | •             |           |             | •           |        | •                 | •           | •                                      |
| 347      | Miscellaneous Equipment              | 10.00%          |              |             | •             |           |             | ,           |        | 1,019             | 17,895      | 1,049                                  |
| 348      | Other Tangible Pla                   | 10.00%          | 15,420       |             | •             | 15,420    |             | •           |        | •                 | . '         | ٠                                      |
| ţ        | Plant Held for Fuft                  |                 |              | •           |               | •         |             | •           |        |                   |             |  |
|          |                                      |                 |              |             |               |           |             |             |        | 1 250 ARB         | 75.418.228  | 11 385 163                             |
|          |                                      |                 | 5 871 544    | (66.408)    | 0             | 5,605,136 | 35,008      | 35,008      |        | 7,290,000         | 1           | ł                                      |

Litchfield Park Service Company - Water Division dba Liberty Wilkies Plant Additions and Retirements

| NATION C   |       |                               |         |             |             |             |           | 2010        |             |          |              |            |            |
|--|-------|-------------------------------|---------|-------------|-------------|-------------|-----------|-------------|-------------|----------|--------------|------------|------------|
| NAMIONICAL Control (Authority)         Alberted (Paris)         Alberted (Authority)         Alberted (Authority)         Plant (Paris)         Plant  |       |                               |         |             |             |             | Adireted  | Plant       | Adjusted    |          |              |            |            |
| Part      | MAN   |                               | Allowed | Plant       |             |             | narrier i |             | , Id        | Selven   | Depreciation | Plant      | Accum.     |
| No.   Description Cost   Conjugation Conjugation Cost   Conjugation    |       | •                             | Depart  | Additions   | Plant       | Field       | Plan      | Kentements  |             | DA BANDO |              | 1          | Denne      |
| 1,000   1,00   | Accou | - Contract                    | Rain    | (Per Books) | Adjustments | Adjustments | Additions | (Per Books) | Retirements | AD ON    | Calcuming    | PALIFIE    | -          |
| 20   Transcription Contains   C   | Ś     | Town Search                   | 1       |             |             |             |           |             |             |          |              | 907        |            |
| 1,459.00    |       |                               | 7000    | ٠           |             |             | •         |             | •           |          | •            | 21,12      | ı          |
| 302         Linke flower of a flow                                 | 8     | Organization Cost             | 6.00.0  | 1           |             |             | •         |             | •           |          | •            | •          |            |
| State   Lond and Lund fights   State   | 302   | Franchise Cost                | 0.00%   |             | į           |             | 470.478   |             | •           |          | •            | 1,439,666  | •          |
| 945         Structures & Improvementals         3.335         1,284 605         (3,770) (1,245,500)         34,789         64.789 <t< td=""><td>200</td><td>I and and I and Rights</td><td>%00.0</td><td>430,531</td><td>(63)</td><td>•</td><td>430,410</td><td></td><td></td><td></td><td>700 011</td><td>23 768 481</td><td>2.184.76</td></t<>   | 200   | I and and I and Rights        | %00.0   | 430,531     | (63)        | •           | 430,410   |             |             |          | 700 011      | 23 768 481 | 2.184.76   |
| 344 Subtractives on important set and the first set of the first set                        | 3     | efundamental a                | 333%    | 1,284,065   | (3,776)     | (1,245,500) | 34,789    |             |             |          |              |            | . '        |
| 305         Collection for Assumed Reservoirs         2.00%         3.33%         96,518 <td>304</td> <td>Structures &amp; Irriproventients</td> <td></td> <td></td> <td></td> <td>•</td> <td>•</td> <td></td> <td>•</td> <td></td> <td></td> <td>•</td> <td>1</td>   | 304   | Structures & Irriproventients |         |             |             | •           | •         |             | •           |          |              | •          | 1          |
| Late, Phots Canni Italiaks   250's   260's   265's     | 305   | Collecting & Impoundi         | 2.50%   | •           |             |             |           |             |             |          | •            |            | •          |
| 977 Weels & Springs         33.33%         66.518         76.518         76.518         76.518         77.2269         77.2276         77.2269   | 200   |                               | 2.50%   |             |             |             | •         |             |             |          | 90 513       | 3.016.628  | 640,373    |
| 309 Inflamental Collegiates         68 FF and Park Nation Collegiates         2007 Section Collegiates         7 (25.00)   | 25    | Marin e Carlose               | 3.33%   | 58,518      | •           |             | 56,518    |             | •           |          |              | •          |            |
| 308         Infiliation Celebration State Supply Minit         200%         7.0  | 3     |                               | B R 7%  |             |             | ٠,          |           |             | •           |          | •            |            | •          |
| 309         Raw Vater Supply Minits         2.00%         1.0113         20.209         7.0           311         Power Control Equipment         1.20%         61,728         1.15,520         75,348         20,920         20,920         66,557         250.00           311         Power Control Equipment         3.334         41,215,221         1,566,817         20,920         20,920         66,557         77,936         3,125,420         17,734         17,936         3,125,420         17,734         17,936         3,125,420         17,734         17,936         3,125,420         17,734         17,936         3,125,420         17,734         18,936         18,93  | 308   |                               | 2000    | 10          |             | •           | •         |             |             |          | •            | • ;        |            |
| 310         Power Generation Equipment         \$00%         61,729         15,549         20,920         20,920         66,557         559,670         277           320 Instructing Equipment (augment Equipment 1 2000*)         3.33%         353,630         (34)         1,215,221         1,568,817         77,989         3,126,420         177,989         3,126,420         177,989         3,126,420         177,989         3,126,420         177,989         3,126,420         177,989         1,126,221         1,568,817         77,989         3,126,420         177,989         178,989         178,989   | 309   |                               | 2.00%   | • .         |             |             | •         |             | •           |          | 10,113       | 202,269    | 79,15      |
| 31         Pumping Equipment         1.556W.         61,729         1.552D         1.548         2.0,520         17,798         3,125,420         17,798  | 310   |                               | 5.00%   |             |             | •           | ,         | 000         | 00000       |          | 66.557       | 559,670    | 273,681    |
| 3.00         Water Transment Equipment         3.33%         353,630         (34) 1,215,221         1,568,617         77,996         3,125,420         17           3.01         Water Transment Equipment         2.22%         2.000%         20,000         20,000         1,4,971         664,396         2           3.02         Latifuldion Reservoirs & Standplotes         2.22%         2.000%         1,510,24         (3,139)         1,608,595         648,399         33,121,287         5,224           3.02         Persona Tennical Reservoirs & Standplotes         2.00%         1,511,724         (3,139)         1,608,595         204,000         6,282,186         1,311,491         664,398         2,224         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,396         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,396         2,224         1,437         644,376         1,437         1,437         1,437         1,437         1,437         1,437         1,437         1,437         1,437         1,437         1,437  |       |                               | 12.50%  | 61,729      |             | 13,620      | Barc'c    | 026,02      |             |          | . '          |            | •          |
| 320. Water framment Equipment 333%         35,600 Mater framment Equipment 330%         36,100 Mater framment 200 Mater fr  | 5     |                               | 333%    |             |             | •           | •         |             | •           |          |              | 007 307 0  | 477 43     |
| 3.0.1         Water Treatment Feedrage         3.5.7         3.0.000         20.000         20.000         4.97 ft         664.366         2           3.0.0         Distribution Reservoirs & Standpipes         2.27%         20.000         20.000         20.000         4.97 ft         644.366         2           3.0.1         Storage Taints         5.00%         1611.724         (3.139)         1,600,569         2.00         6.202.186         1,33           3.0.1         Treasuraisoin & Distribution Reservoirs & Standburde         2.00%         1,611.724         (3.139)         1,600,569         2.00,000         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437         6.202.186         1,437   | 350   |                               | 2 20 0  | 953 630     | (33)        | •           | 1,568,817 |             | •           |          | 968'//       | 3, 143,420 | 7          |
| 320.2         Solution Chemical Feeders         2000%         4.9 Eed 300%           330.1         Solution Chemical Feeders         222%         4.9 Eed 300%         222%         4.9 Eed 300%         222%         4.9 Eed 300%         222%         4.9 Feesure 1 100%         222%         4.9 Eed 300%         222%         222%         4.9 Eed 300%         222%<   | 320   | _                             | 5.553   | 000,000     | 1           |             |           |             | •           |          | •            |            | •          |
| 330         Distribution Reservoirs & Standpipes         2.22%         2.000         20,000         20,000         44,971         684,396         2           330.2         Stongel Tanks         2.02%         1,513         1,608,565         646,339         33,171,27         5,22%           330.2         Preservices         3.07,294         204,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         6,292,196         1,319         2,04,000         2,000         2,000         2,000         2,000         2,000         2,000         2,000  | 320   |                               | 20.00%  | •           |             | •           | •         |             | •           |          | 9,765        | 439,844    | 196,385    |
| 330 International International Agency of the Person Pressure Tanks         2.22%         20.000  |       |                               | 2.22%   |             |             | •           | •         |             |             |          | 14 071       | 684.366    | 22,345     |
| 330.1         Stonage latints         500%         1,511.724         (3.139)         1,6008.595         646.339         33,121,267         5,24           331         Pressure Tanks         200%         1,611.724         (3.139)         1,6008.595         204,000         6,262.186         1,31           333         Pressure Services         8 334%         1,611.724         (27,302         (207)         1,67,302         204,000         6,262.186         2,243.68         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.88         2,243.78         2,243.78         2,243.78         2,243.78         2,243.78         2,243.78         2,243.78         2,243.78         2,243.73         2,243.73         2,243.83         3,347.73  |       |                               | 2 2 2 % | •           |             | 20,000      | 20,000    |             | •           |          |              |            | . '        |
| 330         Pressure Tanks         2004         1,509,502         1,509,504         1,509,504         204,080         6.263,39         33,171,204         30,294         204,080         6.263,94         30,171,204         30,294         306,027         4,397,688         1,71         307,294         307,294         307,294         307,029   |       |                               | 1000    | •           |             |             | •         |             |             |          |              |            | 10 070     |
| 331 Francanisation & Cistribution Mainta 3 33% 307 502 (207) 307 294 204 (300 61282186 7131 305 307 502 (207) 307 294 305 204 (300 61282186 7131 305 307 502 (207) 307 202 (207) 307 202 (207) 307 202 (207) 307 202 (207) 307 202 (207) 308 2128 327 328 327 328 328 327 328 328 328 328 328 328 328 328 328 328  |       | Pressure Tanks                | 2,007   |             | 13 130      | . •         | 1,608,585 |             | •           | t        | 646,339      | 33,121,20/ | 0,240,0    |
| 333         Services         334         May 1502         (201)         167,302         317,502         401,502         401,502         317,502         401,502         317,502         401,502         317,502         401,503         317,502         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,503         317,50   |       | Transmission & Distri         | 2.00%   | 1,011,724   | (601.5)     |             | 207 294   |             | •           |          | 204,080      | 6,282,186  | 1,313,39   |
| 334         Meters         81,348         2,675,352         27           335         Hydratis         2,00%         221,507         (2,608)         216,899         2,560         38,397         17           336         Backlow Prevention Devices         667%         -         2,00%         221,507         (2,608)         2,669         3,897         1           339         Other Plant Is Misc Equipment         667%         -         -         4,845         -         3,7021         658,317         2           340         Office Furniture & Equipment         20,00%         4,845         -         4,845         7,995         7,995         7,995         7,995         7,995         1,995         7,995         1,995         7,995         1,995         1,995         7,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995         1,995         7,995         10         1,995  |       |                               | 3.33%   | 307,502     | (102)       | •           | 167 300   |             | •           |          | 356,027      | 4,357,688  | 2,720,69   |
| 335         Hydranits         2 00%         221,507         (2,606)         2 10,509         2 10,509         2 5,560         38,387         1           336         Hydranits         667%         221,507         (2,606)         2 10,009         17,311         2 29,651         7 7 965         1 7 7 7 1 7 1 7 1 7 1 7 1 7 1 7 7 7 7 7   |       |                               | B.33%   |             |             | •           | 200, 101  |             | ٠           |          | 51,318       | 2,675,353  | 271,770    |
| Second Percention Devices   667%   17.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   259.531   7   7.311   7   7.311   7   7   7   7   7   7   7   7   7  |       |                               | 2.00%   |             | (2,608)     | •           | 260'017   |             |             |          | 2.560        | 38,387     | 13,307     |
| 339         Other Plant & Misc Equipment         667%         4,545         6,555         6,555         7,201         568.312         20           340         Office Furniture & Equipment         20,00%         4,845         4,845         7,995         7,995         7,995         1,599         7,995         1,599         7,995         10         7,995         10         1,599         7,995         10         1,599         7,995         10         1,595         7,995         10         1,591         22,509         1,791         3,599         1,595         1,505         1,595 <td< td=""><td></td><td>Backflow Prevention</td><td>6.67%</td><td></td><td></td><td>•</td><td>•</td><td></td><td>•</td><td></td><td>47 344</td><td>259 531</td><td>72.446</td></td<>  |       | Backflow Prevention           | 6.67%   |             |             | •           | •         |             | •           |          | 47 344       | 259 531    | 72.446     |
| 3.00 Office Fund that is Equipment 6.67% 4.845 6.555 1,595 7,995 7,995 340 Office Fund that is Equipment 20.00% 4.845 6.555 1,595 7,995 7,995 10.00% 4.845 6.595 7,995 7,995 10.00% 3.688 6.999 7,995 1,191 24,289 341 24,289 341 1,191 1, |       |                               | 6.67%   |             |             |             | •         |             | •           |          | 10,55        | KER 312    | 208 01     |
| 340 Communication Equipment         20,00%         4,845         4,845         2,588         1,389         1,770         4,095         10           341 Transportation Equipment         20,00%         4,845         4,845         2,588         1,342         35,399         1,191         24,289           342 Stores Equipment         5,00%         939         839         1,191         24,289         1,191         24,289           343 Laboratory Equipment         10,00%         -         900         18,003         900         18,003           345 Communication Equipment         10,00%         -         -         10,00%         -         2,341         28,922           345 Other Tangble Plant         10,00%         -         -         20,924         (8,897)         11,027         2,341         28,922           Plant Held for Future Use         Plant Held for Future Use         -         -         20,912,392         13,73   |       |                               | 667%    |             |             | 6,555       | 6,555     |             | 1-          |          | 170'16       | 1000       | 200        |
| 340   Computers & Solivate         2,000   1,0                                 |       |                               | /00000  |             |             | •           | ٠         |             | •           |          | 1,599        | CRR'       | 0 i        |
| 3.4 Transportation Equipment         2000%         4,645         3,688         1,342         35,399           3.4 Stress Equipment         4,00%         5,00%         939         1,191         24,289           3.4 Laboratory Equipment         5,00%         939         10,00%         900         18,003           3.4 Communication of Communication of the final triangible Flaint         10,00%         20,924         (9,697)         11,027         2,341         28,922           3.4 District Tangible Flaint         10,00%         20,924         (9,697)         11,027         2,341         28,922           Plant Held for Future Use         Plant Held for Future Use         20,912,392         13,71   |       |                               | 20.00%  |             |             |             | 4 845     |             | •           |          | 25,097       | 127,905    | 100,00     |
| 342         Stores Equipment         4,00%         3,688         4,00%         1,191         24,289           343         Tools, Shop & Garage Equipment         10,00%         939         839         1,197         24,289           344         Laboratory Equipment         10,00%         900         18,003         900         18,003           345         Power Operated Equipment         10,00%         10,00%         2,341         28,922           347         Miscellaneous Equipment         10,00%         20,924         (8,897)         11,027         2,341         28,922           346         Other Tangble Plent         10,00%         20,924         (9,897)         11,027         2,341         28,922           Plant Held for Future Use         Plant Held for Future Use         20,912,392         13,77  |       |                               | 20.00%  | •           |             | •           | Base.     |             |             |          | 1,342        | 35,399     | 4,513      |
| 343 Tools, Shop & Garage Equipment 5 00% 939 539 539 539 539 539 539 539 539 539   |       | ••                            | 4.00%   |             |             | •           | 900,5     |             |             |          | 1.191        | 24,289     | 9.764      |
| 344         Laboratory Equipment         10.00%         900         18.003           345         Power Operated Equipment         5.00%         11.971         119.71   |       | •                             | 5.00%   |             |             | •           | 878       |             |             |          |              | •          | •          |
| 345         Power Operated Equipment         5,00%         11,971         119,71  |       | _                             | 10.00%  |             |             | •           | •         |             | •           |          | 008          | 18,003     | 1,913      |
| 346 Communication Equipment 10,00% 2,341 28,922 347 Miscellaneous Equipment 10,00% 20,924 (9,897) 11,027 2,341 28,922 348 Other Tangble Plant Held for Future Use  |       | Power Onerated Ear            | 5.00%   | •           |             |             | •         |             |             |          | 11 071       | 110 710    | 48.665     |
| 347 Miscellane Equipment 10.00% 20,924 (9.897) 11,027 2,341 28,922 3,341 28,922 3,47 Miscellane Equipment 10.00% 20,924 (9.897) 11,027 2,341 28,922 9,922 9,921 9,922 9, |       | Communication For             | 10.00%  | •           |             | •           | •         |             |             |          |              |            | , ,        |
| 341 Miscolaineous Equipment 10.00% 20,924 (9,897) 11,027 2,341 20,924 3,41 4,027 3,41 20,924 4,9392 4,9392 3,41 4,014 (of Future Use   |       |                               | 10 00%  |             |             |             | •         |             | •           |          |              |            |            |
| 346 Other Langble Flam Plant Held for Future Use Plant Held for Future Use   |       | _                             | 40.00%  |             |             | (9.897)     |           |             | •           |          | 2,341        | 776'97     | io'o       |
| Plant Held for Future Use  |       | •                             | 20.2    |             |             |             |           |             | •           |          |              | •          | •          |
| 2.428.883 80,912.392   | _     | Plant Held for Future Use     |         |             |             |             |           |             |             |          | ,            |            |            |
|  |       |                               |         |             |             | 8           | 4 646 085 | 20 920      | 20.920      |          | 2,428,883    | 80,912,392 | 13,793,126 |

hfield Park Service Company - Water Division dba Liberty Utilities

|         |  |         |              |                  |               |             |           | ı           |             | Adinated    |                    |               |            |            |
|---------|--|---------|--------------|------------------|---------------|-------------|-----------|-------------|-------------|-------------|--------------------|---------------|------------|------------|
| 21.0414 |  | Allowed | Plant        |                  |               |             | Adjusted  | T BE        |             | noteninu    |                    |               | , tareig   | Acres      |
| Ę       | _  |         | Additions    | Disa             | Plant         | Plant       | Plant     | Retirements | Refrement   | Plant       | Salvage<br>Salvage | Ceprecation   | L selling  |            |
| Account |  | 200     | Colonia Co.  |                  | Adiastronente | Adjustments | Additions | (Per Books) | Adjustments | Retirements | A/D Only           | (Calculated)  | Balance    | Deprec     |
| 2       | Description                                    | į       | Tenores in I |                  |               |             |           |             |             |             |                    |               |            |            |
|         |  |         |              |                  |               |             |           |             |             |             |                    |               | 21,100     |            |
| 8       | Organization Cost                              | 8000    |              |                  | ,             |             | •         |             |             | •           |                    | •             | •          |            |
| 302     | Franchise Cost                                 | 0.00%   | •            |                  |               |             |           |             |             |             |                    | ,             | 1,441,954  | •          |
| 303     | Land and Land Rights                           | %00°0   | 8,476        | (6,188)          | ı             |             | 2,250     |             |             |             |                    | 792.259       | 23,814,637 | 2,977,022  |
| Š       | Structures & Immovements                       | 3.33%   | 549,237      | (8,757)          | (494,324)     |             | 46,155    |             |             | •           |                    | <u> </u>      | •          | •          |
| 5 5     | Pricy and a minute of the second               | 2.50%   | •            |                  | •             |             | •         |             |             |             |                    |               |            |            |
| ş       | Collecting of the collection of the collection | 7000    |              |                  | •             |             | •         |             |             |             |                    | •             |            | 0.00       |
| 306     | Lake, River, Canal Intakes                     | 2007    |              | (809)            | 88 058        |             | 87,282    |             |             | •           |                    | 101,907       | 3,103,910  | 942,279    |
| 307     | Wells & Springs                                | 3.33%   | OLO'RL       | (000)            | 200'00        |             | . '       |             |             | •           | 1                  | •             | •          | •          |
| 308     | Infiltration Galleries                         | 6.67%   | ,            |                  |               |             |           |             |             |             |                    | •             |            | ٠          |
| 309     | Raw Water Supply Mains                         | 2.00%   | •            |                  | •             |             |           |             |             |             |                    | 10,681        | 224,976    | 89,840     |
| 5       | Power Generation Equipment                     | 5.00%   | 4,596        |                  | 18,111        |             | 22,700    | ,           |             | 1 227       |                    | 80.455        | 727,615    | 352,809    |
| :       | Pumoina Faviament                              | 12.50%  | 220,561      | (3,315)          | (47,974)      |             | 169,271   | 1,36,1      |             | ,           |                    | •             | . •        | •          |
| ,       |  | 3.33%   |              |                  | ,             |             |           |             |             | •           |                    | 108 304       | 3.379.328  | 285,630    |
| 9 6     |  | 3.33%   | 28,534       | (223)            | 225,598       |             | 253,908   |             |             | •           |                    | in the second | ,          | •          |
| 320.1   |  | 20 00%  |              | •                | •             |             | ٠.        |             |             | •           |                    | 10.345        | AC1 C04    | 206 731    |
| 370.2   |  | 2000    | 27.2.5.7.5   | (1 344)          |               |             | 52,332    |             |             | •           |                    | 200           | 2011       | 1000       |
| 330     | Š  | 2777    |              | AL COLO          | 217.475       |             | 217,475   |             |             | •           |                    | 17,607        | 901,841    | 368,88     |
| 330.1   | Storage Tanks                                  | 2.22%   | •            |                  | 2             | e.          | ,         |             |             |             |                    | •             | •          | ,          |
| 330.2   | Pressure Tanks                                 | 2.00%   |              |                  |               |             | 5 179 345 |             |             | •           |                    | 716,219       | 38,500,612 | 5,965,036  |
| 331     | <u>=</u>                                       | 2.00%   | uri          | (8.802)          | ,             |             | 1000      |             |             |             |                    | 215,543       | 6,663,351  | 1,528,936  |
| 33      |  | 3.33%   |              | ( <del>) (</del> |               |             | 201,100   |             |             | •           |                    | 373,941       | 4,620,489  | 3,094,639  |
| 334     |  | 8.33%   |              | (4,811)          | · .           |             | 202,502   |             |             | •           |                    | 58,630        | 3,187,665  | 330,400    |
| 335     |  | 2.00%   | 512,885      | (573)            | ٠.            |             | 212,312   |             |             |             |                    | 2.560         | 38.387     | 15,867     |
| 336     |  | 6.67%   | •            |                  | •             |             | •         |             |             |             |                    | 17.311        | 259,531    | 89,757     |
| 339     | Other Plant & Misc Equipment                   | 6.67%   | •            |                  |               |             | . :       |             |             | **          |                    | 37.571        | 568.240    | 245,581    |
| 340     |  | 6.67%   | 9,928        |                  | •             |             | 8,928     |             |             |             |                    | 1.599         | 7.995      | 3,998      |
| 340.1   |  | 20.00%  |              |                  |               |             | , ,       | 144         |             | 17 555      |                    | 26.380        | 135,900    | 108,835    |
| 341     |  | 20.00%  | ~            | (636)            |               |             | 000'07    |             |             |             |                    | 1.438         | 36,515     | 5,952      |
| 342     |  | 4.00%   | _            |                  | •             |             | פון י     |             |             |             |                    | 1 229         | 24.867     | 10,993     |
| 35      |  | 5.00%   | 578          |                  | đ.            |             | 9/6       |             |             | . •         |                    | ! '           |            | •          |
| 344     |  | 10.00%  |              |                  | •             |             | •         |             |             |             |                    | 006           | 18,003     | 2,813      |
| 345     |  | 2.00%   |              |                  | •             |             | . !       |             |             |             |                    | 12 168        | 123,647    | 60,833     |
| 346     | -  | 10.00%  | 3,986        | (49)             | ٠             |             | 3,937     | **          |             | •           |                    |               |            | . <b>.</b> |
| 347     |  | 10.00%  | •            |                  |               |             | •         |             |             | •           |                    | . 4110        | 13271      | 8 500      |
| 3       | _  | 10.00%  | 44,349       |                  | •             |             | 44,349    |             |             | •           |                    | <u>:</u> .    |            | ,          |
| ;       |  |         | •            |                  |               |             | ,         |             |             |             |                    |               | :          |            |
|         |  |         |              |                  |               |             |           |             |             |             |                    | 0 500 460     | 000000     | 40 200 400 |
|         |  |         |              |                  |               |             | 444       | •           |             | 40 002      | •                  | OCL 7HC /     | 00000      |            |

field Park Service Company - Water Division dbs Liberty Utilities Direct Addition and Deformants

|         |                                    |            |             |             |             |             | -           |             |            |            |          |              |            |             |
|---------|------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|----------|--------------|------------|-------------|
| NARUC   | 0                                  | Allowed    | Plant       |             |             | Adjusted    | Plant       |             | Adjusted   |            |          |              |            |             |
| Account |                                    | Deprec     | Additions   | Plant       | Plant       | Plant       | Retirements | Retirement  | Plant      | Plant only | Savage   | Depreciation | Plant      | Accum.      |
| 剧       | Description                        | Rate       | (Per Books) | Adjustments | Adjustments | Additions   | (Per Books) | Adjustments | Retrements | B-2 Adjust | A/D Only | (Celculated) | Balance    | Deprec      |
| 5       |                                    | 7,000      | •           |             |             |             | •           |             | •          | ,          | ٠        | •            | 21,100     | •           |
| 5       |                                    |            |             |             |             |             |             |             |            |            | •        |              |            | •           |
| 305     | Franchise Cost                     | %00.0      | •           |             |             | . ;         | •           |             | •          |            | ,        |              | 1 450 278  | •           |
| 303     | Land and Land Rights               | %00.0      | 8,324       |             |             | B,324       | •           |             | •          |            |          | 040          | 25,000,00  | 2 844 401   |
| 305     | Structures & Improvements          | 3.33%      | 1,405,618   | (5,268)     | (178,617)   | 1,221,734   |             |             | •          |            | 00,100   | 806,518      | 176,050,52 | ne ces's    |
| 305     | Collecting & Impounding Reservoirs | 2.50%      | •           |             |             |             | •           |             | •          |            |          |              | •          | •           |
| 308     |                                    | 2.50%      | ,           |             |             |             |             | ٠           | ٠          |            | •        | •            | . :        | ,           |
| 307     | -                                  | 3,33%      | 142,604     | (726)       | (18,108)    | 123,770     | 13,565      |             | 13,565     |            | ,        | 105,195      | 3,214,114  | 1,033,909   |
| 3 8     |                                    | 8.67%      |             |             |             | •           | •           |             | ,          |            | •        |              | •          | •           |
| 8 8     |                                    | 2006       |             |             |             |             | • •         |             | •          |            | •        | •            | `•         | •           |
|         |                                    | 200.9      | 45.         |             |             | 155         | •           |             | ٠          |            | •        | 11,253       | 225,130    | 101 092     |
| 310     |                                    | 2000       | 200         | ě           |             | 445.076     | ,           |             | ٠          |            | 14.698   | 100,119      | 874,290    | 467,627     |
| 3.      |                                    | 12.50%     | 147,387     | (217)       |             | 200         | , ,         |             | •          |            | •        |              | . •        | . •         |
| 350     | Water Treatment Equipment          | 3.33%      |             |             |             | . !         | •           |             | •          |            | 1        | 111 200      | 1 425 394  | 398 928     |
| 320.1   | 1 Water Treatment Plants           | 3.33%      | 46,116      | (2 <u>0</u> |             | 46,066      | •           |             | •          |            | •        | 204.5        | 10000      | 1           |
| 320.2   |                                    | 20.00%     |             |             |             | •           | ,           |             |            |            | •        |              | 400 476    | 747 667     |
| 330     | Š                                  | 2.22%      | •           | •           |             | •           | •           |             |            |            | •        | 076'01       | 492,170    | 100,112     |
| 330.1   |                                    | 2.22%      | •           |             |             | •           | •           |             |            |            | •        | 120,02       | 140,104    | 6 / A / B C |
| 330.2   |                                    | 5.00%      | •           |             |             | •           | •           |             |            |            | . !      | . :          |            |             |
| 1       | Ē                                  | 2 00%      | 1,808,114   | (8,947)     | 3,985       | 1,803,153   | 47,578      |             | 47,578     |            | 1,827    | 787,568      | 40,256,18/ | 6,706,833   |
| 2       | -                                  | 3,33%      |             | (1,065)     |             | (1,201,882) | 110,506     |             | 110,506    |            | . :      | 200,038      | 5,350,963  | 1,618,458   |
| 2       |                                    | 8 33%      |             | (3.333)     |             | 230,540     | 91,470      |             | 91.470     |            | 44,      | 390,679      | 4,759,960  | 3,401,295   |
| 100     |                                    | 2 00%      | 120         | (2.471)     |             | 118,114     | 3,631       | -           | 3,631      |            |          | 64,898       | 3,302,148  | 391,667     |
| 3 6     |                                    | A B 7%     |             | į           |             | •           |             |             |            |            | •        | 2,560        | 38,387     | 18,428      |
| 3 6     |                                    | 6.67%      | ,           |             |             |             | •           |             | •          |            | 999      | 17,311       | 259,531    | 107,636     |
| 3 2     |                                    | 6.67%      | 89 413      |             |             | 89.413      | ,           |             | •          |            | ,        | 40,884       | 657,653    | 286,464     |
| 200     |                                    | 20 00%     |             |             |             | •           | ٠           |             | •          |            | •        | 1,599        | 7,995      | 5,597       |
| 5       |                                    | 20.00%     | 111,782     | (1.468)     | (3.985)     | 106,328     | 7,532       |             | 7,532      |            | •        | 37,060       | 234,697    | 138,363     |
| 55      | _                                  | <b>*00</b> |             |             |             | 628         | •           |             |            |            |          | 1,473        | 37,143     | 7,425       |
| 2 2     |                                    | 5 00%      | 22.870      | (303)       |             | 22,567      | •           |             | •          |            |          | 1,808        | 47,434     | 12,800      |
| 77      | _                                  | 10 00%     | 5.803       |             |             | 5,803       | ٠           |             | •          |            | •        | 290          | 5,803      | 290         |
| 1       |                                    | 5 00%      |             |             |             | . •         | •           |             | •          |            | •        | 006          | 18,003     | 3,713       |
| 348     | -                                  | 10.00%     | 4,827       | (72)        |             | 4,755       | •           |             | •          |            | 498      | 12,602       | 128,402    | 73,934      |
| 347     |                                    | 10.00%     | •           | •           |             | •           | ,           |             | •          |            | •        | •            |            | •           |
| 348     |                                    | 10.00%     | 49,143      |             |             | 49,143      | •           |             | •          |            | 1,695    | 9,784        | 122,414    | 19,980      |
|         | _                                  |            |             |             |             | ٠           |             |             | •          |            |          | •            |            | •           |
|         |                                    |            |             |             |             |             |             |             |            |            |          | 000 07 5     | 1          | 200         |
|         |                                    |            | 2000        | 4           |             | ****        | -           |             |            |            |          |              |            |             |

101,092 467,627 217,657 59,973 3,706,853 1,618,468 3,401,292 391,667 18,428 107,636 286,464 5,597 138,363 7,425 12,800 290 19,980 1,033,909 398,928 3,855,501 (38,427) \$ 18,927,597 \$ 16,514,086 2,413,511 \$ 2,413,511 Rejoinder Adjusted Accum. Proposed Final Schedule B-2 Adjustments to Reconcile A/D to to Page 4 Witness: Bourassa Reconstruction (46,613) \$ Reclassifications Plant Additions Wrong Yrs (308) \$ (380) \$ (17,555) \$ 2,454,800 \$ 12,642 (306,323) 107,969 53,569 757,892 208,613 433,042 56,539 3,201 21,638 46,003 1,006,248 Annualized Depreciation Adjustments Retirement Trans. Equip (250)Duplicate Invoices and Useful Plant Not Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 (26,572) \$ Reclassification (249,236) 1,093 5,597 1,358 145,981 Original Cost Rate Base Proforma Adjustments (3,275) \$ (2,974)(301) True-Up of Accruals Adjustment Number 2 Accumulated Depreciation \$ 16,514,086 \$ 915,114 5,947,658 1,409,855 2,960,806 335,259 15,227 85,429 239,369 3,036,910 205,453 200,543 199,379 Adjusted Accum. Increase (decrease) in Accumulated Depreciation Adjustment to Accumulated Depreciation Collecting and Impounding Re nfiltration Galleries and Tunne Structures and Improvements ake River and Other Intakes Power Generation Equipment Dist. Reservoirs & Standpipe **Backflow Prevention Devices** Office Furniture and Fixtures Electric Pumping Equipmen Other Plant and Misc. Equip Adjusted Accumulated Depreciation Power Operated Equipment ools and Work Equipment ransportation Equipment Computers and Software Miscellaneous Equipment and and Land Rights rans, and Dist. Mains SUPPORTING SCHEDULES B-2, pages 4.1 through 4.9 Vells and Springs Organization Cost Pressure Tanks 330.1 330.2 333

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - A

Exhibit Proposed Final Schedule B-2 Page 4.1 Witness: Bourassa

| Acct.<br><u>No.</u><br>304<br>307 | <u>Description</u> Structures and Improvements Wells and Springs | Orginal<br><u>Cost</u><br>(178,617)<br>(18,108) | <u>Depr Rate</u><br>3.33%<br>3.33% | <u>Years</u><br>0.50<br>0.50 | <u>A/D</u><br>(2,97 |
|-----------------------------------|--|---|------------------------------------|------------------------------|---------------------|
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
| 1.41                              |  |   |                                    | ţ                            |                     |
|                                   | w.   |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   |  |   |                                    |                              |                     |
|                                   | TOTALS   | \$ (196,725)                                    |                                    | -5                           | (3,2                |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - B

46

47

48

SUPPORTING SCHEDULE

Schedule B-2, page 3.2

Exhibit Proposed Final Schedule B-2 Page 4.2 Witness: Bourassa

| Line |         |                               |             |        |            |             |    |   |
|------|---------|-------------------------------|-------------|--------|------------|-------------|----|---|
| No.  |         |                               |             |        |            |             |    |   |
| 1    | Reclass | ification of Plant - A/D      |             |        |            |             |    |   |
| 2    |         |                               |             |        |            |             |    |   |
| 3    |         |                               |             |        |            |             |    |   |
| 4    | Acct.   |                               |             | Depr   |            | Plant       |    | A/D                                     |
| 5    | No.     | <u>Description</u>            | <u>Year</u> | Rate   | Years      | Adjustment  |    | Adjustment                              |
| 6    | 304     | Structures and Improvements   | 2009        | 3.33%  | 3.5        | (1,036,948) | \$ | (120, 856)                              |
| 7    | 304     | Structures and Improvements   | 2010        | 3.33%  | 2.5        | (1,245,500) |    | (103,688)                               |
| 8    | 304     | Structures and Improvements   | 2011        | 3.33%  | 1.5        | (494, 324)  |    | (24,691)                                |
| 9    | Subtota | 1                             |             |        | 7          |             | \$ | (249, 236)                              |
| 10   | 307     | Wells and Springs             | 2009        | 3.33%  | 3.5        | 65,920      | •  | 7,683                                   |
| 11   | 307     | Wells and Springs             | 2010        | 3.33%  | 2.5        | •           |    | .,                                      |
| 12   | 307     | Wells and Springs             | 2011        | 3.33%  | 1.5        | 68,958      |    | 3,444                                   |
| 13   | Subtota |                               |             |        |            |             | •  | 11,127                                  |
| 14   | 310     | Power Generation Equipment    | 2009        | 5.00%  | 3.5        | - 10-1,010  | •  | * * * 1 * * * * * * * * * * * * * * * * |
| 15   | 310     | Power Generation Equipment    | 2010        | 5.00%  | 2.5        | -           |    | •                                       |
| 16   | 310     | Power Generation Equipment    | 2011        | 5.00%  | 1.5        | 18,111      |    | 1.358                                   |
| 17   | Subtota |                               |             | 0.0070 | 1.5        |             | \$ |   |
| 18   | 311     | Electric Pumping Equipment    | 2009        | 12.50% | 3.5        | 10,851      | •  | 1,358                                   |
| 19   | 311     | Electric Pumping Equipment    | 2010        | 12.50% | 3.5<br>2.5 |             |    | 4,747                                   |
| 20   | 311     | Electric Pumping Equipment    | 2011        | 12.50% | 2.5<br>1.5 | 13,620      |    | 4,256                                   |
| 21   | Subtota |                               | 2011        | 12.50% |            | (47,974)    |    | (8,995)                                 |
| 22   | 320.1   | Water Treatment Plant         | 2009        | 2 220/ |            | (,,         | \$ | 9                                       |
| 23   | 320.1   | Water Treatment Plant         | 2010        | 3.33%  | 3.5        | 287,816     |    | 33,545                                  |
|      |         |                               |             | 3.33%  | 2.5        | 1,215,221   |    | 101,167                                 |
| 24   | 320.1   | Water Treatment Plant         | 2011        | 3.33%  | 1.5        | 225,598     |    | 11,269                                  |
| 25   | Subtota |                               |             |        |            | -,,         | \$ | 145,981                                 |
| 26   | 330.1   |                               | 2009        | 2.22%  | 3.5        | 664,366     |    | 51,621                                  |
| 27   | 330.1   | Storage tanks                 | 2010        | 2.22%  | 2.5        | 20,000      |    | 1,110                                   |
| 28   | 330.1   | Storage tanks                 | 2011        | 2.22%  | 1.5        | 217,475     |    | 7,242                                   |
| 29   | Subtota |                               |             |        | ;          | 901,841     | \$ | 59,973                                  |
| 30   | 340     | Office Furniture and Fixtures | 2009        | 6.67%  | 3.5        | -           |    | • .                                     |
| 31   | 340     | Office Furniture and Fixtures | 2010        | 6.67%  | 2.5        | 6,555       |    | 1,093                                   |
| 32   | 340     | Office Furniture and Fixtures | 2011        | 6.67%  | 1.5        |             |    |   |
| 33   | Subtota |                               |             |        | 7          | 6,555       | \$ | 1,093                                   |
| 34   | 340.1   | Computers and Software        | 2009        | 20.00% | 3.5        | 7,995       |    | 5,597                                   |
| 35   | 340.1   | Computers and Software        | 2010        | 20.00% | 2.5        | •           |    |   |
| 36   | 340.1   | Computers and Software        | 2011        | 20.00% | 1.5        | -           |    | •                                       |
| 37   | Subtota | 1 -                           |             |        | 7          | 7,995       | S  | 5,597                                   |
| 38   | 348     | Other Tangible Plant          | 2009        | 10.00% | 3.5        |             | •  | •                                       |
| 39   | 348     | Other Tangible Plant          | 2010        | 10.00% | 2.5        | (9,897)     |    | (2,474)                                 |
| 40   | 348     | Other Tangible Plant          | 2011        | 10.00% | 1.5        | (0,00.)     |    | (=, •, •,                               |
| 41   | Subtota | •                             |             |        |            | (9,897)     | •  | (2,474)                                 |
| 42   |         |                               |             |        |            | . (2,237)   | *  | (4,7,4)                                 |
| 43   |         |                               |             |        |            | ***         |    |   |
| 44   |         | TOTALS                        |             |        |            | (12,156)    | \$ | (26,572)                                |
| 45   |         |                               |             |        | =          | (12,190)    |    | (20,512)                                |
| 75   |         |                               |             |        |            |             |    |   |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - C

Proposed Final Schedule B-2 Page 4.3 Witness: Bourassa

| Acct.<br><u>No.</u><br>303 | <u>Description</u> Land and Land Rights | <u>Year</u><br>2011 | Depr<br><u>Rate</u><br>0.00% | Years<br>1.5 | Plant<br>Adjustment<br>(6,000) | A/D<br>Adjustmen |
|----------------------------|---|---------------------|------------------------------|--------------|--------------------------------|------------------|
| 304                        | Structures and Improvements             | 2011                | 3.33%                        | 1.5          | (6,156)                        | (3               |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              | •                              |                  |
|                            |   | • •                 |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   | •                   |                              | •            |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            | ***                                     |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              | ~                              |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              | ,            |                                |                  |
|                            |   |                     |                              | . •          |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            |   |                     |                              |              |                                |                  |
|                            | TOTALS                                  |                     |                              |              | \$ (12,156)                    | \$ (:            |
|                            |   |                     |                              | -            |                                |                  |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 2 - D

Line

Exhibit Proposed Final Schedule B-2 Page 4.4 Witness: Bourassa

| Acct.<br><u>No.</u><br>304<br>335 | <u>Description</u><br>Structures and Improvements<br>Hydrants | <u>Year</u><br>2010<br>2010 | Depr<br><u>Rate</u><br>3.33%<br>2.00% | <u>Years</u><br>2.5<br>2.5 | Plant<br><u>Adjustment</u><br>(3,000)<br>(2,608) | A/D<br><u>Adjustme</u><br>( |
|-----------------------------------|---|-----------------------------|---------------------------------------|----------------------------|--|-----------------------------|
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       | v<br>v                     |  |                             |
|                                   | *   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
| ,.                                |   | <br>                        |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
| ,                                 |   |                             |                                       | and the second             | The second second                                |                             |
|                                   |   |                             |                                       |                            |  |                             |
| •                                 |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   | •                           |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             |                                       |                            | ,  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   |   |                             | and the second of                     |                            |  |                             |
|                                   |   |                             |                                       |                            |  |                             |
|                                   | TOTALS  |                             |                                       |                            | \$ (5,608)                                       | \$ (                        |
|                                   | RTING SCHEDULE  |                             |                                       |                            |  |                             |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - E

 Exhibit
Proposed Final Schedule B-2
Page 4.5
Witness: Bourassa

Line No. Retirement of Transportation Equipment - A/D Acct. <u>No.</u> 341 <u>Description</u> Transportation Equipment Adjustment (17,555) Year of Retirement 32 33 Plant Held for Future Use TOTALS (17.555) SUPPORTING SCHEDULE Staff Adjustment #7

### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - F

Exhibit Proposed Final Schedule B-2 Page 4.6 Witness: Bourassa

|   | -     |                                    |               | Rejoinder                                |              |
|---|-------|------------------------------------|---------------|--|--------------|
|   |       |                                    | Adjusted      | Adjusted                                 | Annualized   |
|   | Acct. |                                    | Orginal       | Orginal                                  | Depreciation |
|   | No.   | Description                        | Cost          | Cost                                     | Correction   |
|   | 301   | Organization Cost                  | 21,100        | -  | (21,10       |
|   | 302   | Franchise Cost                     |               | · -                                      |              |
|   | 303   | Land and Land Rights               | •             |  |              |
|   | 304   | Structures and Improvements        | 3,036,910     | 4,043,158                                | 1,006,24     |
| ) | 305   | Collecting and Impounding Res.     | •             | , -, -, -, -, -, -, -, -, -, -, -, -, -, |              |
|   | 306   | Lake River and Other Intakes       | -             | -  | . •          |
| : | 307   | Wells and Springs                  | 915,114       | 1,023,083                                | 107,96       |
|   | 308   | Infiltration Galleries and Tunnels | •             | •  | •            |
|   | 309   | Supply Mains                       | -             | •  |              |
| ; | 310   | Power Generation Equipment         | 87,092        | 99,734                                   | 12,64        |
| ; | 311   | Electric Pumping Equipment         | 759,242       | 452,920                                  | (306,32      |
| , | 320   |                                    |               | ,,.                                      | (333,55      |
| , | 320.1 |                                    | 199,379       | 252,948                                  | 53,56        |
| ) | 320.2 | Chemical Solution Feeders          |               |  |              |
| ) | 330   | Dist. Reservoirs & Standpipe       | 205,453       | 217,657                                  | 12,20        |
|   | 330.1 |                                    | -<br>-        | - · · · · · · · · · · · · · · · · · · ·  | ,            |
| ! | 330.2 |                                    |               | -  | -            |
| } | 331   | Trans. and Dist. Mains             | 5,947,658     | 6,705,550                                | 757,89       |
| Ļ | 333   | Services                           | 1,409,855     | 1,618,468                                | 208,61       |
| 5 | 334   | Meters                             | 2,960,806     | 3,393,848                                | 433,04       |
| 3 | 335   | Hydrants                           | 335,259       | 391,798                                  | 56,53        |
| , | 336   | Backflow Prevention Devices        | 15,227        | 18,428                                   | 3,20         |
| 3 | 339   | Other Plant and Misc. Equip.       | 85,429        | 107,068                                  | 21,63        |
| ) | 340   | Office Furniture and Fixtures      | 239,369       | 285,371                                  | 46,00        |
| ) | 340.1 | Computers and Software             | -             |  | -            |
| i | 341   | Transportation Equipment           | 200,543       | 244,147                                  | 43,60        |
| 2 | 342   | Stores Equipment                   | 5,839         | 7,425                                    | 1,58         |
| 3 | 343   | Tools and Work Equipment           | 11,341        | 12,800                                   | 1,4          |
| ı | 344   | Laboratory Equipment               | 290           | 290                                      |              |
| 5 | 345   | Power Operated Equipment           |               | •  | -            |
| 3 | 346   | Communications Equipment           | 58,472        | 73,436                                   | 14,96        |
| , | 347   | Miscellaneous Equipment            | •             | -  | · <u>-</u>   |
| 3 | 348   | Other Tangible Plant               | 19,709        | 20,759                                   | 1,04         |
| • | . "   | Plant Held for Future Use          |               | =-•                                      |              |
| ) |       | TOTALS                             | \$ 16,514,086 | \$ 18,968,887                            | \$ 2,454,80  |

SUPPORTING SCHEDULE

43 44 45 Staff Adjustment #2

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - G Exhibit Proposed Final Schedule B-2 Page 4.7 Witness: Bourassa

| Line     |            |  |              |         |     | ,. |              |
|----------|------------|--|--------------|---------|-----|----|--------------|
| No.      | _          | riche de la compania de la constanta de la con |              | - V     |     |    |              |
| 1        | Accumu     | lated Depreciation - Plant Addition  | ons in vvror | g rears |     |    |              |
| 2        |            |  |              |         |     | -  |              |
| 3        |            |  |              |         |     |    | Degraciation |
| 4        | Acct.      |  |              | *       |     |    | Depreciation |
| 5        | <u>No.</u> | Description  |              |         |     |    | Correction   |
| 6        | 301        | Organization Cost  |              |         |     |    | -            |
| 7        | 302        | Franchise Cost   |              |         |     |    | •            |
| 8        | 303        | Land and Land Rights   |              |         | ,   |    | -<br>65 110  |
| 9        | 304        | Structures and Improvements  |              |         |     |    | 65,110       |
| 10       | 305        | Collecting and Impounding Res  | i.           |         |     |    | -            |
| 11       | 306        | Lake River and Other Intakes   |              |         |     |    | -            |
| 12       | 307        | Wells and Springs  |              |         |     |    | -            |
| 13       | 308        | Infiltration Galleries and Tunnel  | is .         |         |     |    | <u>-</u>     |
| 14       | 309        | Supply Mains   |              |         |     |    | •            |
| 15       | 310        | Power Generation Equipment   |              |         |     |    | 14,698       |
| 16       | 311        | Electric Pumping Equipment   |              |         |     |    | 14,050       |
| 17       | 320        | Water Treatment Equipment  |              |         |     |    | _            |
| 18       |            | Water Treatment Plant  |              |         | 9.0 |    |              |
| 19       |            | Chemical Solution Feeders  |              |         |     |    | -<br>-       |
| 20       | 330        | Dist. Reservoirs & Standpipe   |              |         |     |    | _            |
| 21       |            | Storage tanks Pressure Tanks   |              |         |     |    |              |
| 22       |            | Trans, and Dist. Mains   |              |         |     |    | 1,827        |
| 23       | 331        | Services   |              |         |     |    | 1,027        |
| 24       | 333        | Services<br>Meters   |              |         |     |    | 7,444        |
| 25       | 334        |  |              | •       |     |    |              |
| 26       | 335        | Hydrants Backflow Prevention Devices   |              |         |     |    | _            |
| 27       | 336<br>339 | Other Plant and Misc. Equip.   |              |         |     |    | 568          |
| 28<br>29 | 340        | Office Furniture and Fixtures  |              |         |     |    | -            |
| 29<br>30 | 340.1      |  |              |         |     |    |              |
| 31       | 340.1      | Transportation Equipment   |              |         |     |    |              |
| 32       | 342        | Stores Equipment   |              |         |     |    | _            |
| 32<br>33 | 343        | Tools and Work Equipment   |              |         |     |    | -            |
| 34       | 344        | Laboratory Equipment   |              |         | . * |    |              |
| 35       | 345        | Power Operated Equipment   |              |         |     |    | _            |
| 36       | 346        | Communications Equipment   |              |         |     |    | 498          |
| 37       | 347        | Miscellaneous Equipment  |              |         |     |    | -            |
| 38       | 348        | Other Tangible Plant   |              |         |     |    | 1,695        |
| 39       | 340        | Other rangiolo riant   |              |         |     |    | .,           |
| 40       | •          | TOTALS   |              |         |     |    | \$ 91,841    |
|          |            | TOTALO   |              |         |     |    |              |
| 41       |            | •  |              |         |     |    |              |
| 42<br>43 | CUDDO      | ORTING SCHEDULE  | *            |         |     |    |              |
| 43<br>44 | Work p     |  |              |         |     |    |              |
| 44       | WORK       | apera  |              |         |     |    |              |
| 40       |            |  |              |         |     |    |              |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - H

Exhibit Proposed Final Schedule B-2 Page 4.8 Witness: Bourassa

| Line     |                |  |                    |   |                    |            |                   |           |                  |
|----------|----------------|--|--------------------|---|--------------------|------------|-------------------|-----------|------------------|
| No.      | D = 42         | A /D   |                    |   |                    |            | 2 · M · ·         |           | April 1          |
| 1<br>2   | Retirem        | ents A/D   |                    |   |                    |            |                   |           |                  |
| 3        |                |  |                    |   |                    |            |                   |           |                  |
| 4        | Acct.          |  |                    |   |                    |            |                   |           |                  |
| 5        | No.            | Description  | Year of Retirement |   |                    |            |                   | Ad        | justment         |
| 6        | 341            | Transportation Equipment   | 2008               |   |                    |            |                   |           | (40,196)         |
| 7        |                |  |                    |   | =                  |            |                   |           |                  |
| 8        | Total          |  |                    |   |                    |            |                   | <u>\$</u> | (40,196)         |
| 9<br>10  |                | The second secon |                    |   |                    |            |                   |           |                  |
| 11       | Reclass        | sifications A/D  |                    |   |                    |            |                   |           |                  |
| 12       | Ligolage       |  |                    | en ser en |                    |            |                   |           |                  |
| 13       | Acct.          |  |                    | Depr  |                    | - 1        | Plant             |           | A/D              |
| 14       | No.            | <u>Description</u>   | <u>Year</u>        | Rate  | Years <sup>1</sup> | <u>Adi</u> | <u>ustment</u>    | Ad        | <u>justment</u>  |
| 15       | 341            | Transportation Equipment   | 2012               | 20.00%  | 0.5                | \$         | (3,985)           | \$        | (399)            |
| 16       | 341            | Transportation Equipment   | 2008               | 20.00%  | 4.125              |            | (18,003)          |           | (14,853)         |
| 17<br>18 | 341<br>Subtota | Transportation Equipment   | 2008               | 20.00%  | 4.125              | <u>s</u>   | 6,844<br>(15,144) | •         | 5,646<br>(9,605) |
| 19       | Sublota        |  |                    |   |                    | ¥          | (10,144)          | •         | (9,005)          |
| 20       | 331            | Trans. and Dist. Mains   | 2012               | 2.00%   | 0.5                | \$         | 3,985             | \$        | 40               |
| 21       | 345            | Power Operated Equipment   | 2008               | 5.00%   | 4.125              |            | 18,003            |           | 3,713            |
| 22       | 331            | Trans. and Dist. Mains   | 2008               | 2.00%   | 4.125              |            | (6,844)           |           | (565)            |
| 23       | Subtota        | ı  |                    |   |                    | \$         | 15,144            | \$        | 3,188            |
| 24<br>25 | Total          |  |                    |   |                    |            |                   | \$        | (6,416)          |
| 26       | TOTAL          |  |                    |   |                    |            | ;                 | *         | (0.410)          |
| 27       |                |  |                    |   |                    |            |                   |           |                  |
| 28       |                |  |                    |   |                    |            | V                 |           |                  |
| 29       |                |  |                    |   |                    |            |                   |           |                  |
| 30       |                |  |                    |   | 100                |            |                   |           |                  |
| 31       |                |  |                    |   |                    |            |                   |           |                  |
| 32<br>33 |                |  |                    |   |                    |            |                   |           |                  |
| 34       |                |  |                    |   |                    |            |                   |           |                  |
| 35       |                |  |                    |   |                    |            |                   |           |                  |
| 36       |                | V. C.  |                    |   |                    |            |                   |           |                  |
| 37       |                |  |                    |   |                    |            |                   |           |                  |
| 38       |                | Total Adjustment   |                    |   |                    |            |                   |           | (40.042)         |
| 39<br>40 |                | Total Adjustment   |                    |   |                    |            |                   | \$        | (46,613)         |
| 40<br>41 | SUPPO          | RTING SCHEDULE   |                    |   |                    |            |                   |           |                  |
| 42       |                | le B-2, page 3.6   |                    |   |                    |            |                   |           |                  |
| 43       | Work p         |  |                    |   |                    |            |                   |           |                  |
| 44       |                |  |                    |   |                    |            |                   |           |                  |
| 45       | 1 Post I       | ast test year end date   |                    |   |                    |            |                   |           |                  |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - 1

Exhibit Proposed Final Schedule B-2 Page 4.9 Witness: Bourassa

| Line<br>No. |            |                                      |               | Action 1           |               |                |             |
|-------------|------------|--------------------------------------|---------------|--------------------|---------------|----------------|-------------|
| 1           | Reconci    | liation of A/D to A/D Reconstruction |               |                    |               |                |             |
| 2           |            |                                      |               |                    | Rejoinder     | Rejoinder      |             |
| 3           |            |                                      | Adjusted      |                    | Adjusted      | A/D            |             |
| 4           | Acct.      |                                      | Orginal       | B-2                | Orginal       | Per            |             |
| 5           | <u>No.</u> | Description                          | Cost A/D      | <u>Adjustments</u> | Cost A/D      | Reconstruction | Difference  |
| 6           | 301        | Organization Cost                    | 21,100        | (21,100)           | <del>-</del>  | -              | -           |
| 7           | 302        | Franchise Cost                       | -             | -                  | •             |                | •           |
| 8           | 303        | Land and Land Rights                 | -             | -                  | -             | -              | -           |
| 9 .         | 304        | Structures and Improvements          | 3,036,910     | 818,591            | 3,855,501     | 3,855,501      |             |
| 10          | 305        | Collecting and Impounding Res.       | -             | •                  | •             | -              |             |
| 11          | 306        | Lake River and Other Intakes         | -             | · -                | -             | -              | _           |
| 12          | 307        | Wells and Springs                    | 915,114       | 118,795            | 1,033,909     | 1,033,909      | (0)         |
| 13          | 308        | Infiltration Galleries and Tunnels   |               | . · <u>-</u>       | · · · ·       | • • •          | - '-'       |
| 14          | 309        | Supply Mains                         | • •           | _                  | -             | -              | -           |
| 15          | 310        | Power Generation Equipment           | 87,092        | 14,000             | 101,092       | 101.092        | -           |
| 16          | 311        | Electric Pumping Equipment           | 759,242       | (291,615)          | 467,627       | 467,627        |             |
| 17          | 320        | Water Treatment Equipment            | <del>.</del>  |                    | 1.            |                | -           |
| 18          | 320.1      | Water Treatment Plant                | 199,379       | 199,550            | 398.928       | 398,928        |             |
| 19          | 320.2      | Chemical Solution Feeders            | . •           | -                  | -             |                |             |
| 20          | 330        | Dist. Reservoirs & Standpipe         | 205,453       | 12,204             | 217,657       | 217,657        |             |
| 21          | 330.1      |                                      | -             | 59.973             | 59,973        | 59,973         |             |
| 22          | 330.2      | Pressure Tanks                       |               |                    |               | •              |             |
| 23          | 331        | Trans. and Dist. Mains               | 5,947,658     | 759,195            | 6,706,853     | 6,706,853      | . 0         |
| 24          | 333        | Services                             | 1,409,855     | 208,613            | 1,618,468     | 1,618,468      | -           |
| 25          | 334        | Meters                               | 2,960,806     | 440,486            | 3,401,292     | 3,401,292      | -           |
| 26          | 335        | Hydrants                             | 335,259       | 56,408             | 391,667       | 391,667        | . 0         |
| 27          | 336        | Backflow Prevention Devices          | 15,227        | 3,201              | 18,428        | 18,428         |             |
| 28          | 339        | Other Plant and Misc. Equip.         | 85,429        | 22,207             | 107,636       | 107,636        | -           |
| 29          | 340        | Office Furniture and Fixtures        | 239,369       | 47,096             | 286,464       | 286,464        | -           |
| 30          |            | Computers and Software               | -             | 5,597              | 5,597         | 5,597          | . <u>-</u>  |
| 31          | 341        | Transportation Equipment             | 200.543       | (23,752)           | 176,790       | 138,363        | (38,427)    |
| 32          | 342        | Stores Equipment                     | 5,839         | 1,586              | 7,425         | 7,425          | (00)        |
| 33          | 343        | Tools and Work Equipment             | 11.341        | 1,459              | 12,800        | 12,800         | _           |
| 34          | 344        | Laboratory Equipment                 | 290           | (0)                | 290           | 290            | _           |
| 35          | 345        | Power Operated Equipment             |               | 3,713              | 3,713         | 3,713          | (0)         |
| 36          | 346        | Communications Equipment             | 58.472        | 15,462             | 73,934        | 73,934         |             |
| 37          | 347        | Miscellaneous Equipment              | -             | _                  | -             | •              | _           |
| 38          | 348        | Other Tangible Plant                 | 19,709        | 271                | 19,980        | 19,980         | -           |
| 39          | - · ·      | Plant Held for Future Use            | ,             |                    |               | ,              | -           |
| 40          |            |                                      | \$ 16,514,086 | \$ 2,451,939       | \$ 18,966,025 | \$ 18,927,597  | \$ (38,427) |
| 41          |            |                                      |               | , , - 00           |               | , ,            | + (55,421)  |
| 42          |            |                                      |               |                    |               |                |             |

<sup>44</sup> 

SUPPORTING SCHEDULE B-2, pages 4.1 through 4.8 B-2, pages 3.8 through 3.12

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit Proposed Final Schedule B-2 Page 5 Witness: Bourassa

#### Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

| 1            |                                |           |               |     |                           |
|--------------|--------------------------------|-----------|---------------|-----|---------------------------|
| 2<br>3<br>4  |                                |           | Gross<br>CIAC |     | ccumulated<br>mortization |
| 5            | Computed balance at 12/31/2012 | \$        | 7,425,812     | \$  | 1,285,854                 |
| 6            |                                | *         |               |     |                           |
| 7            | Adjusted balance at 12/31/2012 | _\$       | 7,324,578     | _\$ | 1,489,772                 |
| 8<br>9<br>10 | Increase (decrease)            | \$        | 101,234       | \$  | (203,918)                 |
| 11           |                                |           |               |     |                           |
| 12           | Adjustment to CIAC/AA CIAC     | <u>\$</u> | 101,234       |     | 203,918                   |
| 13           | Label                          |           | 3a            |     | 3b                        |
| 1.4          |                                |           |               |     |                           |

SUPPORTING SCHEDULES

E-1

B-2, page 5.1 to 5.4

Line No.

Litchfield Park Service Company - Water Division dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Proposed Final Schedule B-2 Page 5.1 Witness: Bourassa

|                                     | . !                  | ,   | Balance at | 2008       | Balance at | 2009                | Balance at            |
|-------------------------------------|----------------------|---|------------|------------|------------|---------------------|-----------------------|
| Wells & Sprngs Contributed          | Depr'n Rate<br>3.33% | GL Account<br>8600.2.0100.10.1615.0011<br>Prior to Nov 2002 | 9/30/2008  | Activity   | 12/31/2008 | Activity<br>499,000 | 12/31/2009<br>499,000 |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1641.0100                                    |            |            |            | 8,308<br>8,308      | 8,308                 |
| Pumping Equipment - Contribs 12.50% | 4 12.50%             | 8600.2.0100.10.1615.0011<br>Prior to Nov 2002               | 15,219     |            | 15,219     | •                   | 15,219                |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1641.0100                                    | 18,824     | 476        | 19,300     | 1,902               | 21,202                |
| Trans/Dist Main Contributed         | 2.00%                | 8600.2.0100.10.1615.0020                                    | 2,846,725  |            | 2,846,725  |                     | 2,846,725             |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1641.0100                                    | 742,400    | 14,234     | 756,634    | 56,935              | 813,568               |
| Services Contributed                | 3.33%                | 8600.2.0100.10.1615.0013                                    | 151,402    |            | 151,402    | 448,505             | 598,907               |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1841.0100                                    | 36,723     | 1,260      | 37,983     | 12,509              | 50,492                |
| Meters Contributed                  | 8.33%                | 8600.2.0100.10.1615.0021                                    | 29,899     |            | 29,899     |                     | 29,899                |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1641.0100                                    | 29,708     | 191        | 29,899     |                     | 29,899                |
| Hydrants Contributed                | 2.00%                | 8600.2.0100.10.1615.0022                                    | 52,935     |            | 52,935     |                     | 52,935                |
| Amortization<br>Accum Amort.        |                      | 8600.2.0000.10.1641.0100                                    | 33,051     | 265<br>265 | 33,316     | 1,059               | 34,375                |
| Land Contributed                    | 0.00%                | 8600.2.0100.10.1615.0022                                    | •          |            | •          | 92,495              | 92,495                |
| 26. *                               |                      |   | 1          |            |            |                     |                       |
| Total CIAC Water                    |                      |   | 3,096,180  |            | 3,096,180  |                     | 4,136,180             |
| Total Accum Amort.                  |                      |   | 860,706    | 11         | 877,131    | 11                  | 957,844               |

No No Per Property of the Control of

29,899 927,437 90,446 29,899 52,935 36,492 92,495 4,161,533 1,152,407 41,542 40,572 599,907 2,846,725 26,591 Balance at 12/31/2011 Proposed Final Schedule B-2 Witness: Bourassa 2,846,725 经营护管理 56,935 1,059 25,353 19,977 16,617 3,487 19.977 2011 Activity Page 5.2 Exhibit Balance at 12/31/2010 499,000 29,899 15,219 70,469 29,899 52,935 92,495 4,136,180 1,054,334 24,925 23,104 870,503 599,907 56,935 1,059 1,902 16,617 19,977 2010 Activity 8600.2.0000.10.1641.0100 8600.2.0000.10.1641.0100 8600, 2, 0000, 10, 1641, 0100 8600.2.0000.10.1641.0100 8600.2.0100.10.1615.0022 GL Account 8600.2.0100.10.1615.0011 8600.2.0100.10.1615.0011 Prior to Nov 2002 8600,2,0000,10,1641,0100 8600.2.0100.10.1615.0013 8600.2.0000.10.1641.0100 8600.2.0100.10.1615.0020 8600.2.0100.10.1615.0021 8600.2.0100.10.1615.0022 Prior to Nov 2002 Litchfield Park Service Company - Water Division dba Liberty Utilities Contributions-in-aid of Construction and Amortization Original Cost Rate Base Proforma Adjustments Test Year Ended December 31, 2012 Depr'n Rate 3.33% 12.50% 2.00% 0.00% 2.00% 3.33% 8.33% Adjustment 4 Pumping Equipment - Contribi Trans/Dist Main Contributed Wells & Sprngs Contributed Total Accum Amort. Hydrants Contributed Services Contributed Meters Contributed **Fotal CIAC Water** Land Contributed Amortization Accum Amort. Amortization Accum Amort. Amortization Accum Amort. Accum Amort. Amortization Accum Amort. Amortization Accum Amort. Amortization

DECISION NO. 74437

Litchfield Park Service Company - Water Division dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 4

Exhibit
Proposed Final Schedule B-2
Page 5.3
Witness: Bourassa

|                              |                      |   |   | •                |                                     |
|------------------------------|----------------------|---|---|------------------|-------------------------------------|
| Uvells,& Sprngs Contributed  | Depr'n Rate<br>3.33% | 1 | GL Account<br>8600.2.0100.10.1615.0011<br>Prior to Nov 2002 | 2012<br>Activity | Balance at<br>12/31/2012<br>499,000 |
| Amortization<br>Accum Amort. |                      |   | 8600.2.0000.10.1641.0100                                    | 16,617<br>16,617 | 58,158                              |
| Pumping Equipment - Contribu | 12.50%               |   | 8600.2.0100.10.1615.0011<br>Prior to Nov 2002               | •                | 40,572                              |
| Amortization<br>Accum Amort. |                      |   | 8600.2.0000.10.1641.0100                                    | 5,071            | 31,663                              |
| Trans/Dist Main Contributed  | 2.00%                |   | 8600,2,0100.10.1615,0020                                    | 3,046,493        | 5,893,218                           |
| Amortization<br>Accum Amort. |                      |   | 8600,2.0000,10.1641.0100                                    | 87,399<br>87,399 | 1,014,837                           |
| Services Contributed         | 3.33%                |   | 8600.2.0100.10.1615.0013                                    | 172,302          | 772,209                             |
| Amortization<br>Accum Amort. |                      |   | 8600.2.0000.10.1641.0100                                    | 22,846<br>22,846 | 113,292                             |
| Meters Contributed           | 8.33%                |   | 8600.2.0100.10.1615.0021                                    |                  | 29,899                              |
| Amortization<br>Accum Amort. |                      |   | 8600.2.0000.10.1641.0100                                    | 4                | 29,899                              |
| Hydrants Contributed         | 2.00%                |   | 8600.2.0100.10.1615.0022                                    | 45,484           | 98,419                              |
| Amortization<br>Accum Amort. |                      |   | 8600.2.0000.10.1641.0100                                    | 1,514            | 38,006                              |
| Land Contributed             | %00.0                |   | 8600.2.0100.10.1615.0022                                    |                  | 92,495                              |
|                              | · · ·                |   |   | •                |                                     |
| Total CIAC Water             |                      |   |   | 1 1              | 7,425,812                           |
| Total Accum Amort.           |                      |   |   | <b>! !</b>       | 1,285,854                           |

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|            |  |   |                            | Oniginal     | Test Year Ended December 31, 2012  Cost Rate Base Proforma Adjust Adjustment 4 | Original Cost Rate Base Proforma Adjustments Adjustment 4 |                          |                      |                  | Proposed Final Schedule B-2<br>Page 6.0<br>Witness: Bourassa | Schedule B-2<br>ssa                       |
|------------|--|---|----------------------------|--------------|--|---|--------------------------|----------------------|------------------|--|---|
|            | Deferred Income                        | Deferred Income Tax as of December 31, 2012                         | 2012                       |              |  |   |                          |                      | *=               |  |   |
|            | Plant-in-Service                       | Water & Sewer Adjusted Book Value \$ 162,040,849                    | Water & Sewer<br>Tax Value | Sewer        | Probability of Realization of Future Tax Benefit                               | Deductible TD (Taxable TD) Expected to be Realized        | Effective<br>Tax<br>Rate | Future T.<br>Current | Future Tax Asset | Future Ta  | Future Tax Liability<br>wrent Non Current |
| Fed        | Accum, Deprec.<br>CIAC<br>Fixed Assets | (32,475,811)<br>(59,777,267)<br>\$ 69,787,771                       | 3<br>\$ 47.3               | 47,372,348 2 | 100.0%   | \$ (22,415,423)   | 31.79%                   |                      | •                |  | (7,125,863)                               |
| State      | Fixed Assets                           | \$ 69,787,771   | \$ 74,0                    | 74,030,636 2 | 100.0%   | \$ 4,242,865  | 6.500%                   |                      | 275,786          | ~  | • .                                       |
| Fed &State | AIAC                                   |   | 14,                        | 14,120,317   | 100.0%   | \$ 14,120,317   | 38.29%                   |                      | \$ 5,406,669     |  |   |
|            |  |   | ٠.                         |              |  |   |                          |                      | \$ 5,682,456     |  | \$ (7,125,863)                            |
|            | Net Asset (Liability)                  |   |                            |              | -  |   |                          | \$ (1,443,407)       |                  |  |   |
|            | Allocation Factor -                    | Allocation Factor - Water-Division (based on rate base before ADIT) | on rate base b             | efore ADIT   | •  |   |                          | 0.5766               |                  |  |   |
|            | Net Asset (Liability) Water Division   | y) Water Division   |                            |              | ٠  |   | .g 55 t                  | \$ (832,300)         |                  |  |   |
|            | Adjusted DIT Asset (Liability)         | x (Liability)   |                            |              |  |   |                          | \$ (1,459,075)       |                  |  |   |
|            | Adjustment to DIT                      |   |                            |              |  |   |                          | \$ (626,775)         |                  |  |   |
|            |  |   |                            |              |  |   |                          |                      |                  |  |   |
|            |  | 15%   |                            |              |  |   |                          |                      |                  |  |   |
|            | Footnotes - See page 7.1               | ge 7.1  |                            |              |  |   |                          |                      |                  |  |   |
|            |  |   |                            |              |  |   |                          |                      |                  |  |   |
|            |  |   |                            |              |  |   |                          |                      |                  |  |   |
|            |  |   |                            |              |  | • *   |                          |                      |                  |  | ja s                                      |
|            |  |   |                            |              |  |   |                          |                      |                  |  |   |

Litchfield Park Service Company - Water Division dha Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment 4

Proposed Final Schedule B-2 Page 6.1 Witness: Bourassa

# 2 Computation of Net Tax Value December 31, 2012

Per adjusted book balances, land not included

Based on 2012 Tax Depreciation report (December 31, 2012) as amended Unadjusted Cost at December 31, 2012 per federal and state tax depr. report

Reconciling Items not on tax report: Land on Tax and not on included in adjusted plant balance

FA Accrual on not on tax report

Proposed Plant Retirements Rejoinder Proposed Plant Retirements Post Test Year plant

Post Test Year Plant Retirement

Net Unadjusted Cost tax Basis at December 31, 2012

Accumulated Depreciation 2012 and prior per federal and state tax depr. report Basis Reduction 2012 and Prior Years per federal and state tax depr. report Proposed Plant Retirements Rejoinder Post Test Year Plant Retirement Proposed Plant Retirements

Net tax value of plant-in-service at December 31, 2012 Net Reductions through December 31, 2012

<sup>3</sup> CIAC (including lunpact of change to probability of realization)
Gross CIAC per adjusted book balances
CIAC reductions/additions A. A per adjusted book balances

\$ 35,802,727

\$ (5,439,155)

Net CIAC before unrealized AIAC

Unrealized AIAC Component
AIAC per adjusted book balances
Adjusted Net AIAC (see footnote 5 below)
Unrealized AIAC Component % (1-Realized AIAC Component)

Total realizable CIAC

<sup>4</sup> AIAC (including impact of change in probability of realization) AIAC per adjusted book balances Less: Unrealized AIAC (from Note 3, above) Subtotal
Meter and Service Line Installation Charges per adjusted book balances
Total realizable AIAC

| 30,363,572  | 29,413,695<br>59,777,267 | 42,019,564<br>(29,413,695) |
|-------------|--------------------------|----------------------------|
| · 69        |                          | ~ ~                        |
| (5,439,155) | \$ 42,019,564<br>70.0%   |                            |
|             |                          |                            |

|            |  | 90,613,423  | (16,582,787)<br>74,030,636 |
|------------|--|---|----------------------------|
|            |  |   | 74,                        |
| 17         |  |   | w                          |
|            | 5 6 5 5 E  | (8,8,2,7  | . 1                        |
| 84,887,919 | 6,391,333<br>(1,712,539)<br>(17,555)<br>1,102,722<br>(38,457)                | (18,351,338)<br>1,712,539<br>17,555<br>38,457       |                            |
| · ·        |  | <b>\$</b>   |                            |
|            |  | 90,613,423  | (43,241,075)<br>47,372,348 |
|            |  | 90  | 47.3                       |
|            |  | <b>.</b>  | •                          |
|            | as the   |   |                            |
| Ban t      |  |   |                            |
| 85,943,311 | (1,055,392)<br>6,391,333<br>(1,712,539)<br>(17,555)<br>1,102,722<br>(38,457) | (25,331,094)<br>(19,678,532)<br>1,712,539<br>17,555 |                            |
| 85,5       | <b>373</b>   | (25.3)  |                            |
| 5          |  | 9   |                            |

12,605,869 1,514,448 14,120,317

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 5

Exhibit Proposed Final Schedule B-2 Page 7 Witness: Bourassa

> 147,661 140,147

> > 7,514

\$

| ne<br><u>lo.</u><br>1 | Customes Security December   |
|-----------------------|--|
| 2                     | Customer Security Deposits   |
|                       | Customer Security Deposits Balance per Staff   |
|                       | Adjusted Customer Security Deposits Balance  |
| <b>.</b>              | Adjustment to Customer Security Deposits based upon a 13 month average   |
|                       |  |
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|                       |  |
| ;                     | SUPPORTING SCHEDULE  |
| 3<br>7                | Staff Adjustment #10   |

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 6

Exhibit Proposed Final Schedule B-2 Page 8 Witness: Bourassa

SUPPORTING SCHEDULE

RUCO Adjustment #10

 DECISION NO. 74437

#### Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 7

Exhibit Proposed Final Schedule B-2 Page 9 Witness: Bourassa

1,432,787

1,271,802

160,985

Line <u>No.</u> **Customer Meter Deposits** Customer Security Deposits Balance per RUCO Adjusted Customer Security Deposts Balance Adjustment to Customer Security Deposits based upon a 13 month average 

SUPPORTING SCHEDULE RUCOAdjustment #10

DECISION NO.

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Computation of Working Capital

Exhibit

Proposed Final Schedule B-5

Page 1

Witness: Bourassa

| Line<br><u>No.</u> |  |               |              |
|--------------------|--|---------------|--------------|
| 1                  | Cash Working Capital (1/8 of Allowance   |               | *            |
| 2                  | Operation and Maintenance Expense)   | \$            | 506,180      |
| 3                  | Pumping Power (1/24 of Pumping Power)  |               | 37,647       |
| 4                  | Purchased Water (1/24 of Purchased Water)  |               | •            |
| 5                  | Prepaid Expenses   |               |              |
| 6                  | Tiepaid Experises  |               |              |
| 7                  |  |               |              |
|                    |  |               |              |
| 8                  | Total Made a Decital Allerman  |               | 540.003      |
| 9                  | Total Working Capital Allowance  | _\$           | 543,827      |
| 10                 |  |               |              |
| 11                 |  |               |              |
| 12                 | Working Capital Requested  | \$            | •            |
| 13                 |  |               |              |
| 14                 |  |               |              |
| 15                 |  |               |              |
| 16                 |  | . F           | Rejoinder    |
| 17                 |  | <u>Adjust</u> | ed Test Year |
| 18                 | Total Operating Expense  | \$            | 9,166,122    |
| 19                 | Less:  |               |              |
| 20                 | Income Tax   | \$            | 1,054,157    |
| 21                 | Property Tax   |               | 531,421      |
| 22                 | Depreciation   |               | 2,627,581    |
| 23                 | Purchased Water  |               | · · · · -    |
| 24                 | Pumping Power  |               | 903,527      |
| 25                 | Allowable Expenses   | \$            | 4,049,437    |
| 26                 | 1/8 of allowable expenses  | \$            | 506,180      |
| 27                 |  | - <del></del> | 000,.00      |
| 28                 |  |               |              |
| 29                 | SUPPORTING SCHEDULES: RECAP S  | CHEDI         | I FS         |
| 30                 | E-1 B-1  | 011200        | <u></u>      |
| 31                 | 2-1  |               |              |
| 32                 | and the second of the second o |               |              |
| 33                 |  |               |              |
| 33<br>34           |  |               |              |
| _                  |  |               |              |
| 35                 |  |               |              |
| 36                 |  |               |              |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Income Statement

Exhibit

Rejoinder

Proposed Final Schedule C-1 Page 1

Witness: Bourassa

Adjusted Adjusted Proposed Adjusted Test Year Test Year Line Rate with Rate Results No. <u>Adjustment</u> Results increase <u>Increase</u> 1 Revenues 2 Metered Water Revenues \$ 10,965,545 \$ 10,965,545 \$ 1,421,511 \$ 12,387,056 Unmetered Water Revenues 3 Other Water Revenues 235,723 4 235,723 235,723 5 \$ 11,201,268 2 11,201,268 \$ 1,421,511 \$ 12,622,779 6 **Operating Expenses** Salaries and Wages 1,069,839 7 1,069,839 \$ 1,069,839 8 Purchased Water 2,615 2,615 2,615 903,527 9 Purchased Power 903,527 903,527 Fuel For Power Production 10 11 Chemicals 208,080 208,080 208,080 Materials and Supplies 91,139 12 91,139 91,139 Management Services - US Liberty Water 13 1 260 835 (10,249)1.250.586 1,250,586 14 Management Services - Corporate 781,023 781,023 781,023 15 Management Services - Other 9,271 16 Outside Services - Accounting 9,271 9,271 Outside Services - Engineering 17 18 Outside Services- Other 103,412 103,412 103,412 Outside Services- Legal 19,865 19 19,865 19,865 Water Testing 66,942 (22,062)20 44,880 44,880 Rents - Building 21 Rents - Equipment 7,229 7,229 7,229 22 23 Transportation Expenses 103,726 103.726 103,726 Insurance - General Liability 88.374 24 88,374 88.374 25 Insurance - Vehicle 20,825 20,825 20,825 19,721 26 Reg. Comm. Exp. - Other 851 20,572 20,572 27 Reg. Comm. Exp. - Rate Case 65,800 65.800 65.800 28 Miscellaneous Expense 151,237 (10, 177)141,060 141,060 29 Bad Debt Expense (76)21,216 21,140 21,140 2,615,868 30 Depreciation and Amortization Expense 11,713 2,627,581 2,627,581 Taxes Other Than Income 31 **Property Taxes** 559,122 (27,701)32 531,421 22,577 553,998 income Tax 1,028,589 33 25,568 1,054,157 535,652 1,589,809 34 9.176.963 35 **Total Operating Expenses** (10,841) \$ 9,166,122 \$ 558,229 \$ 9,724,351 Operating income 2,024,305 10,841 2,035,146 863,282 \$ 36 2,898,428 37 Other income (Expense) Interest Income 38 39 Other income 40 Interest Expense (388,078)51,862 (336, 216)(336.216)Other Expense 41 42 43 Total Other Income (Expense) (388,078) 51,862 (336,216) (336,216) Net Profit (Loss) 1,636,227 \$ 44 62 703 1.698.929 863 282 \$ 2.562.212 45

46 SUPPORTING SCHEDULES:

C-1, page 2

48 E-2

47

49

RECAP SCHEDULES:

A-1

| LAGEL>>>>>   1  | Litchfield Park Service Company - Water Division<br>dba Liberty Utilities<br>Test Year Ended December 31, 2012 |               |                 |              |          |           |                |                         | Exhibit Proposed Final Schedule C-1 Page 2-1 | Schedule C-1 |                   |
|---|--|---------------|-----------------|--------------|----------|-----------|----------------|-------------------------|--|--------------|-------------------|
| Comparison   Com  | come Statement   |               |                 | · .          |          |           |                |                         | Witness: Boura                               | ess          |                   |
| Figure   Page   |  | LABEL>>>>     | <del>v-</del> j | . <b>(V)</b> | esi.     | Corporate | 5<br>Corporate | <u>6</u><br>Interest on | Z<br>Bad                                     | <b>co</b> l  | 9<br>Amortization |
| Telements   1,0005,455   Telements   1,0005,  |  | Test Year     |                 | Property     | Water    | Expense   | Allocation     | Customer                | Debt   | Misc.        | Regulatory        |
| Februaries   10,005,645   Februaries   23,772   Februaries   23,772   Februaries   23,772   Februaries   23,772   Februaries   2,5172   Februaries   2,515  |  | Kesuits       | Depreciation    | laxes        | lesting  | dn-e-nb   | Expense        | Desposits               | Expense                                      | Expense      | Assets            |
| Separation   Sep  | Water Revenues   | \$ 10,965,545 |                 |              |          |           |                |                         |  |              |                   |
| ### ### ### ### ### ### ### ### ### ##  | red Water Revenues<br>Jater Revenues   | 235 723       |                 |              |          |           |                | -                       |  |              |                   |
| Water         \$ 1,088,839           Water         2,515           Water         2,515           Water         1,200,357           Supplied         (1,420)           Standard         2,200,000           Standard         2,200,000           Same Control         2,200,000           Same Control         2,200,000           Same Control         2,200,000           Same Control         3,271           Same Control         2,200,000           Same Control         2,200,000           Cand Control         2,200,000         2,200,000           Cand Control         2,200,000         2,200,000   |  |               |                 | \$           |          | ,         |                |                         | s  |              |                   |
| Supples   1,000 259   | Expenses   |               |                 |              |          |           |                |                         |  |              |                   |
| Production   903,577   Production   903,577   Production   200,000   Production   200,000   Production   200,000   Production   200,000   Production   200,000   Production   200,000   Production   P  | and Wages  | \$ 1,069,839  |                 |              |          |           |                |                         |  |              | #4.               |
| Perfordacion 2002221 Supples String S  | ed Water   | 2,615         |                 |              |          |           |                |                         |  |              |                   |
| Supplied   Care   Car  | ed Power<br>Power Production   | 170,008       |                 |              |          |           |                |                         |  |              |                   |
| Soluppiess 91,139 91,139 91,139 91,139 91,139 91,139 91,139 91,139 91,130 91,130 91,122 91,130 91,271 92,71 92,71 93,722 94, Rale Case 10,723 95,000 10,723 95,000 10,723 96, Rale Case 10,723 11,723   | als  | 208,080       |                 |              |          |           |                |                         |  |              |                   |
| 1,200,835   1,20  | s and Supplies   | 91,139        | 7-              | "            |          |           |                |                         |  |              |                   |
| Schelous  | ment Services - US Liberty Water   | 1,260,835     |                 |              |          | (8,420)   | (1,829)        |                         |  |              |                   |
| Services - Other - Oth  | ment Services - Corporate  | 781,023       |                 |              |          | •         |                |                         |  |              |                   |
| 13.47   23.4.   23.4.   23.6  | ment Services - Other  | •             |                 |              |          |           |                |                         |  |              |                   |
| 295 - Engalineering 100,412 295 (22,092) (22,092) (22,092) (29,092  | Services - Accounting  | 9,271         |                 |              |          |           |                |                         |  |              |                   |
| 10   10   10   10   10   10   10   10   | Services - Engineering   |               |                 |              |          |           |                |                         |  |              |                   |
| 19,865   1  | Services-Other   | 103,412       |                 |              |          |           |                |                         |  |              |                   |
| Tepenses 103,729 Inches 20,635 Inches 3,724 Inches 20,635 Inches 20,635 Inches 20,635 Inches 20,635 Inches 20,635 Inches 3,931 Inches 20,635 Inches 3,931 Inches 3,  | Services- Legal  | 19,865        |                 |              | 1000 000 |           |                |                         |  |              |                   |
| Tiggeress   Tigg  | esting   | 96,942        |                 |              | (22,062) |           |                |                         |  |              |                   |
| Figure   F  | Sunaing<br>Canioment   | 7 220         |                 |              |          |           |                |                         |  |              |                   |
| Schedules    Secondary   Sec  | Cydipinoin<br>Mation Expenses  | 103 726       |                 | ,            |          |           |                |                         |  |              |                   |
| Continue  | General Liability  | 88 374        |                 |              |          |           |                |                         |  |              |                   |
| Stylenses         19,721         (18,108)  | a - Vehicle  | 20,825        |                 |              |          |           | •              |                         |  |              |                   |
| Expense         65,800         5,931         (18,108)           Expense         15,237         (16,108)         21,216         (18,108)           Incomic Expense         2,615,868         11,713         (27,701)         (227,001)         (1,829)         \$ 5,931         \$ 21,216         \$ (16,108)           Expenses         \$ 9,176,963         \$ 11,713         \$ 27,701         \$ 22,062         \$ 8,420         \$ 1,629         \$ (5,931)         \$ (11,108)         \$ 16,108         \$ (16,108)         \$ (16,   | mm. Exp Other  | 19.721        |                 |              |          |           |                |                         |  |              | , a               |
| Expense 151,237   | mm. Exo Rate Case  | 65,800        |                 |              |          |           |                |                         |  |              | 3                 |
| Total   | neous Expense  | 151,237       |                 |              |          |           |                | 5.931                   |  | (18 108)     |                   |
| nd Amortization Expense     2,615,668     11,713     (27,701)       han Income     559,122     (27,701)     (22,062)     (4,420)     (1,629)     5,931     21,216     5 (16,108)       Expenses     \$ 2,024,305     \$ (11,713)     \$ 27,701     \$ 22,062     \$ 8,420     \$ 1,829     \$ (5,931)     \$ (21,216)     \$ 16,108       se     (388,078)       se     (388,078)     \$ 27,701     \$ 22,062     \$ 8,420     \$ 1,829     \$ (5,931)     \$ (21,216)     \$ 16,108       SCHEDULES:   | it Expense   | (16)          |                 |              |          |           |                |                         | 21.216                                       | (1)          |                   |
| Han Income 559,122 (27,701)  Expenses \$ 9,176,963 \$ (1,713) \$ (27,701) \$ (22,062) \$ (4,420) \$ (1,629) \$ 5,931 \$ 21,216 \$ (16,108) \$ (16,108) \$ (1,713) \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ (1,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (1,713) \$ | ation and Amortization Expense   | 2,615,868     | 11,713          |              | - :      |           |                |                         |  |              |                   |
| Expenses 1,028,589 (27,701) (22,062) \$ (1,629) \$ 5,931 \$ 21,216 \$ (16,108) \$ (1,029,589) \$ 5,931 \$ 21,216 \$ (16,108) \$ (4,20) \$ (1,629) \$ (5,931) \$ (21,216) \$ (16,108) \$ (4,20) \$ (1,629) \$ (2,2,062)                                    | Wher Than Income   |               |                 |              |          |           | <b>3</b> 6.    |                         |  |              |                   |
| 1,028,389 1,028,389 1,028,389 5,9,16,963 \$ 11,713 \$ (27,701) \$ (22,062) \$ (1,629) \$ 5,931 \$ 21,216 \$ (16,108) \$ 5,024,305 \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,629 \$ (5,931) \$ (21,216) \$ 16,108 \$  se (388,078) 5 (388,078) 5 1,638,227 \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (6,931) \$ (21,216) \$ 16,108 \$  SCHEDULES:   | Taxes  | 559,122       |                 | (27,701)     |          |           |                |                         |  |              |                   |
| \$ 9,176,363 \$ 11,713 \$ (27,701) \$ (22,062) \$ (16,29) \$ 5,931 \$ 21,216 \$ (16,108) \$ e \$ 2,024,305 \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,629 \$ (5,931) \$ (21,216) \$ 16,108 \$ e \$ (388,078) \$ (388,078) \$ (388,078) \$ 5 (388,078) \$ 5 (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,629 \$ (5,931) \$ (21,216) \$ 16,108 \$ \$ SCHEDULES.  | - ax   | 1,028,589     |                 |              |          | - 1       |                |                         |  |              |                   |
| se (388,078) \$ 2,024,305 \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (988,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (388,078) \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (988,018) \$ (6,931) \$ (21,216) \$ 16,108 \$ (988,018) \$ (11,713) \$ (21,716) \$ (11,713) \$ (21,716) \$ (                   | penses   | 9,176,963     | 11,713          | (27,701)     | (22,062) | (8,420)   | (1,829)        |                         |  | (16,108)     |                   |
| Se (388,078) Se (3  |  | 2,024,305     | (11,713)        |              | 22,062   | 8,420 \$  |                |                         |  | 16,108       |                   |
| See (388,078)  The (Expense) \$ (388,078) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   | me (Expense)   |               |                 |              |          |           |                |                         |  |              |                   |
| see (388,078)  1 (388,078) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$  | Income   | •             |                 |              |          |           |                |                         |  |              |                   |
| SCHEDULES:  | Cureness   | (388 078)     |                 |              |          |           |                |                         |  |              |                   |
| ne (Expense) \$ (388,078) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   | Dense  | foro'oool     |                 |              |          |           |                |                         |  |              |                   |
| 10 (Expense) \$ (308,078) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  |               |                 |              |          |           |                |                         |  |              |                   |
| \$ 1,636,227 \$ (11,713) \$ 27,701 \$ 22,062 \$ 8,420 \$ 1,829 \$ (5,931) \$ (21,216) \$ 16,108 \$ (  | пе (Ехрепѕе)   | (388,078)     |                 |              |          |           | ,              | ,                       |  |              |                   |
| YTING SCHEOULES.  |  | 7             | (11,713) \$     |              | 062      |           | 1,829          | 1 1                     | (21,216)                                     |              | Ĭ                 |
|   | TING SCHEDULES:  |               |                 |              |          |           |                |                         |  |              |                   |
|   |  |               |                 |              |          |           |                |                         |  |              |                   |
|   |  |               |                 |              |          |           |                |                         |  |              |                   |

DECISION NO. \_\_\_\_\_

|              | Litchfield Park Service Company - Water Division<br>dba Liberty Utilities<br>Test Year Ended December 31, 2012<br>Income Statement |              |                       |                     |                     |                     |                     |                     |                     |                       | Exhibit<br>Proposed Final Schedule C-1<br>Page 2.2<br>Witness: Bourassa | Schedule C-1<br>Sa     |
|--------------|--|--------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---|------------------------|
|              |  |              |                       |                     |                     |                     |                     |                     |                     |                       |   |                        |
|              |  | 81           | 티                     | 12<br>Intentionally | 13<br>Intentionally | 14<br>Intentionally | 15<br>Intentionally | 16<br>Intentionally | 17<br>Intentionally | Rejoinder<br>Adjusted | Proposed  | Adjusted               |
| Line         |  | Interest     |                       | Left                | Left                | Leff                | Left                | Left                | Left<br>B           | Test Year             | Rate  | with Rate              |
| 일 ~          | Revenues   | Synch.       | laxes                 | Diank               | N N                 | DISTIL              | Diana               | Zi i                |                     | Singa                 | DC ASSE   |                        |
| ~            | Metered Water Revenues   |              |                       |                     |                     |                     |                     |                     |                     | \$ 10,965,545         | \$ 1,421,511 \$   | 12,387,056             |
| n <b>4</b>   | Unmerered water Revenues Other Water Revenues  |              |                       |                     |                     |                     |                     |                     |                     | 235,723               |   | 235,723                |
| no d         | ,  | i<br>i       | •                     | 1                   | ,<br>6 <del>4</del> |                     | ,                   | ,<br>•              |                     | \$ 11,201,268         | \$ 1,421,511  | 12,622,778             |
| <b>~</b> «   | Sparies and Wages  Sparies and Wages  Directored Water   |              |                       |                     |                     |                     |                     | -                   |                     | \$ 1,069,839<br>2,615 | •   | 1,069,839              |
| თ            | Purchased Power  |              |                       |                     |                     |                     |                     |                     |                     | 903,527               |   | 903,527                |
| <del>2</del> | Fuel For Power Production<br>Chemicals   |              |                       |                     |                     |                     |                     |                     |                     | 208,080               |   | 208,080                |
| 72           | Materials and Supplies   |              |                       |                     |                     |                     |                     |                     |                     | 91,139                |   | 91,139                 |
| 5 4          | Management Services - US Liberty Water<br>Management Services - Corborate  |              |                       |                     |                     |                     |                     |                     |                     | 781,023               |   | 781,023                |
| 15           | Management Services - Other  |              |                       |                     |                     |                     |                     |                     |                     | . 0 0 74              |   | 0 974                  |
| 16           | Outside Services - Accounting  |              |                       |                     |                     |                     |                     |                     |                     | 17'8                  |   | 17.6                   |
| - 82         | Outside Services - Other   |              |                       |                     |                     |                     |                     |                     |                     | 103,412               |   | 103,412                |
| 6            | Outside Services- Legal  |              |                       |                     |                     |                     |                     | *                   |                     | 19,865                |   | 19,865                 |
| 2 5          | Water Testing<br>Rents - Building  |              |                       |                     |                     |                     |                     |                     |                     | ,                     |   |                        |
| 22           | Rents - Equipment  |              |                       |                     |                     |                     | ·<br>\              |                     |                     | 7,229                 |   | 7,229                  |
| 23           | Transportation Expenses<br>Insurance - General Tability  |              |                       |                     |                     |                     |                     |                     |                     | 103,726<br>88.374     |   | 103,726                |
| 52           | Insurance - Vehicle  |              |                       | ٠.                  |                     |                     |                     |                     |                     | 20,825                |   | 20,825                 |
| 27           | Reg. Comm. Exp Other<br>Reg. Comm. Exp Rate Case   |              |                       |                     |                     |                     |                     |                     |                     | 20,5/2<br>65,800      |   | 20,572                 |
| 82 8         | Miscellaneous Expense  |              |                       |                     |                     |                     |                     |                     |                     | 141,060               |   | 141,060                |
| 8 8          | Depreciation and Amortization Expense  |              |                       |                     |                     |                     |                     |                     |                     | 2,627,581             |   | 2,627,581              |
| 32           | Taxes Other Than Income Property Taxes   |              |                       |                     |                     |                     | :-                  |                     |                     | 531,421               | 22,577  | 553,998                |
| 33           | Income Tax   |              | 25,568                |                     |                     |                     |                     | •                   |                     | 1,054,157             | 535,652   | 1,589,809              |
| 8 8          | Total Operating Expenses Operating Income  | s s          | 25,568 \$ (25,568) \$ |                     |                     | \$ 8                | ,  ,                | 55 55               | S                   | \$ 9,166,122          | \$ 558,229 \$<br>\$ 863,282 \$  | 9,724,351<br>2,898,428 |
| 37           | Other Income (Expense)   |              |                       |                     |                     |                     | •                   | · . •               |                     | •                     |   |                        |
| 39           | Other income Interest Expense  | 51,862       |                       |                     |                     |                     |                     |                     |                     | (336,216)             |   | (336,216)              |
| 4 4          | Other Expense  |              |                       |                     |                     |                     |                     |                     |                     | • •                   |   | • •                    |
| £ .          | me (Expense)   | \$ 51,862 \$ | - 1000 300            |                     | •                   | <del>63</del> 6     |                     | 45 6                |                     | \$ (336.216)          | \$ - 580 580  | (336,216)              |
| £ £          | Net Profit (Loss)  | 200,10       | ¢ (pac'cz)            |                     |                     |                     |                     |                     |                     | 676,060,1             | i i   | 2,302,616              |
| 46           | SUPPORTING SCHEDULES:<br>C-2   |              |                       |                     |                     |                     |                     |                     |                     | Œ1 ~                  | RECAP SCHEDULES:<br>C-1, page 1   | ILES:                  |
| 84           | E-2  |              |                       |                     |                     | 4.<br>              |                     |                     |                     |                       |   | -                      |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Adjustments to Revenues and Expenses

Exhibit Proposed Final Schedule C-2 Page 1 Witness: Bourassa

| Line                       |   |   | Adjustmen                   | ts to Revenues and                                   | Expenses                             |   |   |              |
|----------------------------|---|---|-----------------------------|--|--------------------------------------|---|---|--------------|
| No.<br>1<br>2<br>3<br>4    | Revenues                                | 1<br>Depreciation                         | 2<br>Property<br>Taxes      | <u>3</u><br>Water<br><u>Testing</u>                  | 4<br>Corporate<br>Expense<br>True-up | 5<br>Corporate<br>Allocation<br>Expense | 6<br>Interest on<br>Customer<br>Desposits   | Subtotal -   |
| 5<br>6                     | Expenses                                | 11,713                                    | (27,701)                    | (22,062)   | (8,420)                              | (1,829)                                 | 5,931                                       | (42,368)     |
| 7<br>8<br>9<br>10          | Operating Income                        | (11,713)                                  | 27,701                      | 22,062   | 8,420                                | 1,829                                   | (5,931)                                     | 42,368       |
| 11<br>12<br>13             | Interest Expense Other Income /         |   |                             |  |                                      |   |   | -<br>-       |
| 15<br>16                   | Expense                                 | (11,713)                                  | 27,701                      | 22.062   | 8,420                                | 1.829                                   | (5,931)                                     | 42,368       |
| 17<br>18<br>19             | Net Income                              | (11,713)                                  |                             |  |                                      | 1,029                                   | (0,931)                                     | 42,300       |
| 20<br>21<br>22<br>23<br>24 |   | <u>7</u><br>Bad<br>Debt<br><u>Expense</u> | Adjustmer  8  Misc. Expense | nts to Revenues and 9 Amortization Regulatory Assets | Expenses 10 Interest Synch.          | 11<br>Income<br>Taxes                   | 12<br>Intentionally<br>Left<br><u>Blank</u> | <u>Total</u> |
| 25<br>26                   | Revenues                                |   |                             |  |                                      |   |   | •            |
| 27<br>28                   | Expenses                                | 21,216                                    | (16,108)                    | 851  |                                      | 25,568                                  |   | (10,841)     |
| 29<br>30<br>31             | Operating<br>Income                     | (21,216)                                  | 16,108                      | (851)  | •                                    | (25,568)                                | -<br>-                                      | 10,841       |
| 32<br>33<br>34<br>35<br>36 | Interest Expense Other Income / Expense | •<br>•                                    |                             |  | 51,862                               |   |   | 51,862       |
| 37<br>38                   | Net Income                              | (21,216)                                  | 16,108                      | (851)  | 51,862                               | (25,568)                                |   | 62,703       |
| 39<br>40                   |   |   | -                           |  |                                      |   |   |              |

# Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Adjustments to Revenues and Expenses Adjustment Number 1

Exhibit Proposed Final Schedule C-2 Page 2 Witness: Bourassa

#### Depreciation Expense

| Line       |            |   |     |                  |             |                                       |
|------------|------------|---|-----|------------------|-------------|---------------------------------------|
| <u>No.</u> |            |   |     |                  |             |                                       |
| 1          |            |   |     |                  |             |                                       |
| 2          | A          |   | •   | Adjusted         |             |                                       |
| 3          | Acct.      | <b>5</b>  |     | Original         | Proposed    | <u>Depreciation</u>                   |
| 4          | <u>No.</u> | Description                                     |     | Cost             | Rates       | Expense                               |
| 5          | 301        | Organization Cost                               |     | 21,100           | 0.00%       |                                       |
| 6          | 302        | Franchise Cost                                  |     | <u>-</u>         | 0.00%       |                                       |
| 7          | 303        | Land and Land Rights                            |     | 1,450,278        | 0.00%       | •                                     |
| 8          | 304        | Structures and Improvements                     |     | 25,036,371       | 3.33%       | 833,711                               |
| 9          | 305        | Collecting and Impounding Res.                  |     | -                | 2.50%       | -                                     |
| 10         | 306        | Lake River and Other Intakes                    |     | -                | 2.50%       | • • • • • • • • • • • • • • • • • • • |
| 11         | 307        | Wells and Springs                               |     | 3,214,114        | 3.33%       | 107,030                               |
| 12         | 308        | Infiltration Galleries and Tunnels              |     | •                | 6.67%       | • .                                   |
| 13         | 309        | Supply Mains                                    |     |                  | 2.00%       | •                                     |
| 14         | 310        | Power Generation Equipment                      |     | 225,130          | 5.00%       | 11,257                                |
| 15         | 311        | Electric Pumping Equipment                      |     | 874,290          | 12.50%      | 109,286                               |
| 16         | 320        | Water Treatment Equipment                       | -   |                  | 3.33%       | -                                     |
| 17 -       | 320.1      | Water Treatment Plant                           |     | 3,425,394        | 3.33%       | 114,066                               |
| 18         | 320.2      | Chemical Solution Feeders                       |     | -                | 20.00%      | •                                     |
| 19         | 330        | Dist. Reservoirs & Standpipe                    |     | 492,176          | 2.22%       | 10,926                                |
| 20         | 330.1      | Storage tanks                                   |     | 901,841          | 2.22%       | 20,021                                |
| 21         | 330.2      | Pressure Tanks                                  |     |                  | 5.00%       |                                       |
| 22         | 331        | Trans, and Dist. Mains                          |     | 40,256,187       | 2.00%       | 805,124                               |
| 23         | 333        | Services  |     | 5,350,963        | 3.33%       | 178,187                               |
| 24         | 334        | Meters  |     | 4,759,560        | 8.33%       | 396,471                               |
| 25         | 335        | Hydrants  |     | 3,302,148        | 2.00%       | 66,043                                |
| 26         | 336        | Backflow Prevention Devices                     |     | 38,387           | 6.67%       | 2,560                                 |
| 27         | 339        | Other Plant and Misc. Equip.                    |     | 259,531          | 6.67%       | 17,311                                |
| 28         | 340        | Office Furniture and Fixtures                   |     | 657,653          | 6.67%       |                                       |
| 29         | 340.1      | Computers and Software                          |     |                  |             | 43,865                                |
|            |            |   |     | 7,995            | 20.00%      | 1,599                                 |
| 30         | 341        | Transportation Equipment                        |     | 234,697          | 20.00%      | 46,939                                |
| 31         | 342        | Stores Equipment                                |     | 37,143           | 4.00%       | 1,486                                 |
| 32         | 343        | Tools and Work Equipment                        |     | 47,434           | 5.00%       | 2,372                                 |
| 33         | 344        | Laboratory Equipment                            |     | 5,803            | 10.00%      | 580                                   |
| 34         | 345        | Power Operated Equipment                        |     | 18,003           | 5.00%       | 900                                   |
| 35         | 346        | Communications Equipment                        |     | 128,402          | 10.00%      | 12,840                                |
| 36         | 347        | Miscellaneous Equipment                         |     | -                | 10.00%      | . •                                   |
| 37         | 348        | Other Tangible Plant                            |     | 122,414          | 10.00%      | 12,241                                |
| 38         |            | TOTALS  | \$  | 90,867,015       |             | \$ 2,794,816                          |
| 39         |            |   |     |                  |             |                                       |
| 40         |            |   |     | Gross CIAC       | Amort. Rate |                                       |
| 41         | Less: Ar   | nortization of Contributions                    |     |                  |             |                                       |
|            | 307        | Wells and Springs                               | \$  | 499,000          | 3.3300%     | \$ (16,617)                           |
| 42         | 311        | Electric Pumping Equipment                      | \$  | 40,572           | 12.5000%    | (5,071)                               |
| 43         | 331        | Trans, and Dist. Mains                          | \$  | 5,893,218        | 2.0000%     | (117,864)                             |
| 44         | 333        | Services  | Š   | 772,209          | 3.3300%     | (25,715)                              |
| 45         | 334        | Meters  | \$  | 29,899           | 8.3300%     | (=0,, .0)                             |
| 46         | 335        | Hydrants  | \$  | 98,419           | 2.0000%     | (1,968)                               |
| 47         |            | Tryorams  | \$  | 6,834,317        | 2.000070    | \$ (167,235)                          |
| 48         | Total De   | epreciation Expense                             | •   | 0,007,017        | •           | \$ 2,627,581                          |
| 49         | i otal De  | spreciation Expense                             |     |                  |             | \$ 2,027,001                          |
| 50         | A dimeter  | d Test Year Depreciation Expense                |     |                  |             | 2 645 960                             |
|            | Adjuster   | rest rear Depreciation Expense                  |     |                  |             | 2,615,868                             |
| 51         | Ingrass    | (decrease) in Depresiation Evacua-              |     |                  |             | 44 740                                |
| 52         | morease    | (decrease) in Depreciation Expense              |     |                  |             | 11,713                                |
| 53         | 6.41 -4    | and the Managarana and the American Commence of |     |                  |             |                                       |
| 54         | Aajustm    | ent to Revenues and/or Expenses                 |     |                  |             | \$ 11,713                             |
| 55         |            |   |     |                  |             |                                       |
| 56         |            | RTING SCHEDULE                                  |     |                  |             |                                       |
| 57         | B-2, pag   | je 3  | *Fi | ally Depreciated | d/Amortized |                                       |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 2 Exhibit Proposed Final Schedule C-2 Page 3 Witness: Bourassa

#### **Property Taxes**

| Line | er en                                   |     | Test Year   |    | Company    |
|------|---|-----|-------------|----|------------|
| No.  | DESCRIPTION   |     | as adjusted |    | commended  |
| 1    | Company Adjusted Test Year Revenues   | \$  | 11,201,268  | \$ | 11,201,268 |
| 2    | Weight Factor   | . • | 2           | •  | 2          |
| 3    | Subtotal (Line 1 * Line 2)  |     | 22,402,536  |    | 22,402,536 |
| 4    | Company Recommended Revenue   |     | 11,201,268  |    | 12,622,779 |
| 5    | Subtotal (Line 4 + Line 5)  |     | 33,603,803  |    | 35,025,315 |
| 6    | Number of Years   |     | 3           |    | 3          |
| 7    | Three Year Average (Line 5 / Line 6)  |     | 11,201,268  |    | 11,675,105 |
| 8    | Department of Revenue Mutilplier  |     | 2           |    | 2          |
| 9    | Revenue Base Value (Line 7 * Line 8)  |     | 22,402,536  |    | 23,350,210 |
| 10   | Plus: 10% of CWIP (intentionally excluded)                                  |     | -           |    |            |
| 11   | Less: Net Book Value of Licensed Vehicles                                   |     | 96,334      |    | 96.334     |
| 12   | Full Cash Value (Line 9 + Line 10 - Line 11)                                |     | 22,306,202  |    | 23,253,876 |
| 13   | Assessment Ratio  |     | 19.0%       |    | 19.0%      |
| 14   | Assessment Value (Line 12 * Line 13)  |     | 4,238,178   |    | 4,418,236  |
| 15   | Composite Property Tax Rate - Obtained from ADOR                            |     | 12.5389%    |    | 12.5389%   |
| 16   | Test Year Adjusted Property Tax Expense (Line 14 * Line 15)                 | \$  | 531,421     | \$ | 553,998    |
| 17   | Tax on Parcels  |     |             | •  |            |
| 18   | Total Property Taxes (Line 16 + Line 17)                                    | \$  | 531,421     |    |            |
| 19   | Adjusted Test Year Property Taxes   | \$  | 559,122     |    |            |
| 20   | Adjustment to Test Year Property Taxes (Line 18 - Line 19)                  | \$  | (27,701)    |    |            |
| 21   |   | -   |             |    |            |
| 22   | Property Tax on Company Recommended Revenue (Line 16 + Line 17)             |     |             | \$ | 553,998    |
| 23   | Company Test Year Adjusted Property Tax Expense (Line 18)                   |     |             | \$ | 531,421    |
| 24   | Increase in Property Tax Due to Increase in Revenue Requirement             |     |             | Š  | 22,577     |
| 25   |   |     |             | Ť  |            |
| 26   | Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)   |     |             | \$ | 22,577     |
| 27   | Increase in Revenue Requirement   |     |             | \$ | 1,421,511  |
| 28   | Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27) |     |             | •  | 1.58826%   |
| 29   | (4.10 4.7)  |     |             |    | 1.0002070  |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 3 Exhibit
Proposed Final Schedule C-2
Page 4
Witness: Bourassa

#### Water Testing

| Line   |  |     |          |
|--------|--|-----|----------|
| No.    |  |     |          |
| 1      |  |     |          |
| 2      |  | •   | 44.000   |
| 3<br>4 | Recommended Water Testing Expense        | \$  | 44,880   |
| 5      | Adjusted Test Year Water Testing Expense | • • | 66,942   |
| 6      |  |     | (00.000) |
| 7      | Increase(decrease) Rate Case Expense     | \$  | (22,062) |
| 8      |  |     |          |
| 9      | Adjustment to Revenue and/or Expense     | \$  | (22,062) |
| 10     |  |     |          |
| 11     |  |     |          |
| 12     | Reference                                | ν.  |          |
| 13     | RUCO Adjustment #6                       |     |          |
| 14     | Testimony                                |     |          |
| 15     |  |     |          |
| 16     |  |     |          |
| 17     |  |     |          |
| 18     |  |     |          |
| 19     |  |     |          |
| 20     |  |     |          |
|        |  |     |          |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 4 Exhibit Proposed Final Schedule C-2 Page 5 Witness: Bourassa

#### Corporate Allocation True-Up

| Line |  |                |
|------|--|----------------|
| No.  |  |                |
| 1    |  |                |
| 2    |  |                |
| 3    |  |                |
| 4    | Corporate Allocation True-up   | \$<br>(29,297) |
| 5    | Attack to the second of the se |                |
| 6    | % Allocation to Water  | 28.74%         |
| 7    |  |                |
| 8    | Total Adjustment to Management Services - US Liberty Water   | \$<br>(8,420)  |
| 9    |  | <br>           |
| 10   |  |                |
| 11   | Adjustment to Revenue and/or Expense   | \$<br>(8,420)  |
| 12   |  |                |
| 13   | SUPPORTING SCHEDULES   |                |
| 14   | Staff Adjustment #2  |                |
| 15   |  |                |
| 16   |  |                |
| 17   |  |                |
| 18   |  |                |
| 19   |  |                |
| 20   |  |                |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 5 Exhibit Proposed Final Schedule C-2 Page 6 Witness: Bourassa

#### Corporate Allocation Expense Adjustment

| Line     |  |          |         |
|----------|--|----------|---------|
| No.      |  |          |         |
| 1        |  | _        |         |
| 2        | Corporate Allocation Expense Adjustment                      | \$       | (1,829) |
| 3        |  |          |         |
| 4        |  |          |         |
| 5        | Total Adicates and A Samonament Consider 110 Liberty 18/eter | \$       | (4.820) |
| 6        | Total Adjustment to Management Services - US Liberty Water   | <u> </u> | (1,829) |
| 7        |  |          |         |
| 8        |  |          | (4.000) |
| 9        | Adjustment to Revenue and/or Expense                         |          | (1,829) |
| 10       | Deference  |          |         |
| 11       | Reference<br>Tooling and                                     |          |         |
| 12       | Testimony Work Papers  |          |         |
| 13<br>14 | Work Papers  |          |         |
| 15       |  |          |         |
| 16       |  |          |         |
| 17       |  |          |         |
| 18       |  |          |         |
| 19       |  |          |         |
| 20       |  |          |         |
|          |  |          |         |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 6 Exhibit Proposed Final Schedule C-2 Page 7 Witness: Bourassa

#### Interest on Customer Security Deposits

| Line     |                                      |    |                   |
|----------|--------------------------------------|----|-------------------|
| No.      |                                      |    |                   |
| 1        |                                      |    |                   |
| 2        | Interest on Customer Deposits        | \$ | 5,931             |
| 3        |                                      |    |                   |
| 4        |                                      |    |                   |
| 5        |                                      |    |                   |
| 6        | Adjustment to Miscellaneous Expense  | \$ | 5,931             |
| 7        |                                      |    |                   |
| 8        |                                      |    |                   |
| 9        | Adjustment to Revenue and/or Expense |    | 5,931             |
| 10       |                                      |    |                   |
| 11       | Reference                            |    |                   |
| 12       | Staff Adjustment #4                  |    |                   |
| 13       | Testimony                            |    |                   |
| 14       |                                      |    |                   |
| 15       |                                      |    |                   |
| 16       |                                      |    |                   |
| 17<br>18 |                                      |    |                   |
|          |                                      |    | Address of garage |
| 19<br>20 |                                      |    |                   |
| 20       | •                                    |    |                   |

Test Year Ended December 31, 2001 Adjustment to Revenues and Expenses Adjustment Number 7 Exhibit Proposed Final Schedule C-2 Page 8 Witness: Bourassa

#### **Bad Debt Expense**

| Line | •   |              |
|------|---|--------------|
| No.  |   |              |
| 1    |   |              |
| 2    | Allocated Bad Debt Expense - Water Division | \$<br>21,216 |
| 3    | en e    |              |
| 4    |   |              |
| 5    |   | <br>         |
| 6    | Increase in Bad Debt Expense                | \$<br>21,216 |
| 7    |   | <br>         |
| 8    |   |              |
| 9    | Adjustment to Revenue and/or Expense        | <br>21,216   |
| 10   |   |              |
| 11   | Reference                                   |              |
| 12   | RUCO Adjustment #11                         |              |
| 13   |   |              |
| 14   |   |              |
| 15   |   |              |
| 16   |   |              |
| 17   |   |              |
| 18   |   |              |
| 19   |   |              |
| 20   |   |              |

Test Year Ended December 31, 2001 Adjustment to Revenues and Expenses Adjustment Number 8 Exhibit Proposed Final Schedule C-2 Page 9 Witness: Bourassa

#### Miscellaneous Expense

| Line<br><u>No.</u>   |                                      |     |  |                |
|----------------------|--------------------------------------|-----|--|----------------|
| 1 2 3                | Miscellanous Expense Adjustment      |     |  | \$<br>(16,108) |
| 4<br>5               | Adjustment to Miscellaneous Expense  |     |  | \$<br>(16,108) |
| 6<br>7<br>8          |                                      |     |  |                |
| 9<br>10              | Adjustment to Revenue and/or Expense |     |  | \$<br>(16,108) |
| 11<br>12<br>13<br>14 | RUCO Adjustment 15                   |     |  |                |
| 15<br>16<br>17       |                                      | . · |  |                |
| 18<br>19<br>20       |                                      |     |  |                |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 9 Exhibit Proposed Final Schedule C-2 Page 10 Witness: Bourassa

#### **Amortization of Regulatory Assets**

| Line |  |    |        |
|------|--|----|--------|
| No.  |  |    |        |
| 1    |  |    |        |
| 2    | Adjusted TCE Plume Balance per B-2       | \$ | 91,069 |
| 3    | Amortization rate                        | ·  | 10.00% |
| 4    | Annual Amortization                      | \$ | 9,107  |
| 5    |  |    |        |
| 6    | Test Year Amortization                   |    | 8,256  |
| 7    |  | •  | *      |
| 8    | Adjustment to Regulatory Expense - Other | \$ | 851    |
| 9 .  |  |    |        |
| 10   |  |    |        |
| 11   | Adjustment to Revenue and/or Expense     |    | 851    |
| 12   |  |    |        |
| 13   | Reference                                |    |        |
| 14   | Testimony                                |    |        |
| 15   |  |    |        |
| 16   |  |    |        |
| 17   |  |    |        |
| 18   |  |    |        |
| . 19 |  |    |        |
| 20   |  |    |        |

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 10 Exhibit
Proposed Final Schedule C-2
Page 11
Witness: Bourassa

#### Interest Synchronization

| Line       |  |            |            |      |             |
|------------|--|------------|------------|------|-------------|
| <u>No.</u> |  |            |            |      |             |
| 1          |  |            |            |      |             |
| 2          |  |            |            |      |             |
| 3          | F-/-WIL But B  |            | 00 400 500 |      |             |
| 4          | Fair Value Rate Base   | \$         | 33,103,506 |      |             |
| 5          | Weighted Cost of Debt  |            | 1.02%      |      |             |
| 6<br>7     | Interest Expense   |            | •          | \$   | 336,216     |
| 8<br>9     | Test Year Interest Expense   | .**        |            | _\$_ | 388,078     |
| 10         | Increase (decrease) in Interest Expense  |            |            |      | (51,862)    |
| 11<br>12   |  |            |            |      |             |
| 13         | -  |            |            |      |             |
| 14         | Adjustment to Revenue and/or Expense   |            |            | \$   | 51,862      |
| 15         |  |            |            |      |             |
| 16         |  |            |            |      |             |
| 17         | Weighted Cost of Debt Computation  |            |            |      |             |
| 18         | The state of the s |            |            |      | Weighted    |
| 19         | 4  | Percent    | Cost       |      | <u>Cost</u> |
| 20         | Debt   | 15.87%     | 6.40%      | •    | 1.02%       |
| 21         | Equity   | <br>84.13% | 9.20%      | ·    | 7.74%       |
| 22<br>23   | Total  | 100.00%    |            |      | 8.76%       |
| 24         |  |            | *          |      |             |
| 25<br>26   |  |            |            |      |             |
| 27         |  |            |            |      |             |

Test Year Ended December 31, 2012 Adjustment to Revenues and/or Expenses Adjustment Number 11 Exhibit Proposed Final Schedule C-2 Page 12 Witness: Bourassa

\$

**Test Year** 

at Proposed Rates

1,589,809

1,054,157

535,652

Test Year

at Present Rates

\$

1,054,157

1,054,157

Line No. income Taxes 1 2 3 Computed Income Tax 4 5 Test Year Income tax Expense Adjustment to Income Tax Expense 7 9 10 11 12 SUPPORTING SCHEDULE C-3, page 2 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Computation of Gross Revenue Conversion Factor

SUPPORTING SCHEDULES:

C-3, page 2

Exhibit Proposed Final Schedule C-3 Page 1 Witness: Bourassa

Percentage of

RECAP SCHEDULES:

|      |  | Incremental |
|------|--|-------------|
| Line |  | Gross       |
| No.  | Description  | Revenues    |
| 1    | Combined Federal and State Effective Income Tax Rate | 38.290%     |
| 2    |  |             |
| 3    | Property Taxes                                       | 0.980%      |
| 4    |  |             |
| -5   |  |             |
| 6    | Total Tax Percentage                                 | 39.270%     |
| 7    |  |             |
| 8    | Operating Income % = 100% - Tax Percentage           | 60.730%     |
| 9    |  | \$ T        |
| 10   |  |             |
| 11   |  |             |
| 12   |  |             |
| 13   | 1 = Gross Revenue Conversion Factor                  |             |
| 14   | Operating Income %                                   | 1.6466      |
| 15   |  |             |
| 16   | Эм   |             |
| 17   |  |             |
| 18   |  |             |
| 19   |  |             |
| 20   |  |             |
| 21   |  |             |
| 22   |  |             |
| 23   |  |             |
|      |  |             |

DOCKET NO. WS-02676A-12-0196

Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

GROSS REVENUE CONVERSION FACTOR

Exhibit
Proposed Final Schedule C.:
Page 2
Witness: Bourses

| Line<br>No.  | Description  | . <b>(A)</b>                           | (B)           | (C)                        | <b>(D)</b>                   | E. service services | . <b>D</b> .,           |
|--------------|--|--|---------------|----------------------------|------------------------------|---------------------|-------------------------|
|              | Calculation of Gross Revenue Conversion Factor:  |  |               |                            |                              |                     |                         |
| 1 2          | Revenue<br>Uncollecible Factor (Line 11)   | 100.0000                               | <del>%</del>  | •                          |                              |                     |                         |
| - 3          | Revenues (L1 · L2)   | 100,0000                               | <u>%</u>      |                            |                              |                     |                         |
| 5            | Combined Federal and State Income Tax and Property Tax Rate (Line 23)<br>Subtotal (L3 - L4)  | 39,2701<br>60,7299                     | <u>/4</u>     |                            |                              |                     |                         |
| 6            | Revenue Conversion Factor (L1 / L5)  | 1.6466                                 | <u>6</u>      |                            |                              |                     |                         |
| 7            | <u>Calculation of Uncollectible Factor:</u> Unity  | 100.0000                               | ,             |                            |                              |                     |                         |
| 8            | Combined Federal and State Tax Rate (L17)  | 38,2900                                | <u>«</u>      |                            |                              |                     |                         |
| 9<br>10      | One Minus Combined Income Tax Rate (L7 - L8 ) Uncollectible Rate   | 61,7100<br>0.0000                      | <u>%</u><br>% |                            |                              |                     |                         |
| 11           | Uncollectible Factor (L9 * L10 )   |  | 0.0000%       | Ł.                         |                              |                     |                         |
|              | Calculation of Effective Tax Rate  |  |               |                            |                              |                     |                         |
| 12<br>13     | Operating Income Before Taxes (Arizona Taxable Income) Arizona State Income Tax Rate   | 100,0000<br>6,5000                     |               |                            |                              |                     |                         |
| 14<br>15     | Federal Taxable income (L12 - L13) Applicable Federal Income Tax Rate (L55 Col F)  | 93,5000                                |               |                            |                              |                     |                         |
| 16<br>17     | Effective Federal Income Tax Rate (L14 x L15)  | 31.7900                                | <u>%</u>      |                            |                              |                     |                         |
| 17           | Combined Federal and State Income Tax Rate (L13 +L16)  |  | 38,2900%      | <u>.</u>                   |                              |                     |                         |
| 18           | Gelculation of Effective Property Yex Factor Unity   | 100,0000                               |               |                            |                              |                     |                         |
| 19<br>20     | Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)  | 38,2900<br>61,7100                     |               |                            |                              |                     |                         |
| 21           | Property Tax Factor  | 1,5883                                 | <u>%</u>      |                            |                              |                     |                         |
| 22<br>23     | Effective Property Tax Factor (L20°L21) Combined Federal and State Income Tax and Property Tax Rate (L17+L22)                        |  | 0.9801%       | 39.2701%                   |                              |                     |                         |
|              |  | * *                                    |               |                            | 4                            |                     |                         |
|              |  |  | _             |                            |                              |                     |                         |
| 24<br>25     | Required Operating Income AdjustedTest Year Operating Income (Loss)  | \$ 2,898,42<br>\$ 2,035,14             |               |                            |                              |                     |                         |
| 26           | Required Increase in Operating Income (L24 - L25)  |  | \$ 863,282    |                            |                              |                     |                         |
| 27<br>28     | Income Taxes on Recommended Revenue (Col. (F), L52)<br>Income Taxes on Test Year Revenue (Col. (C), L52)                             | \$ 1,589,80                            |               |                            |                              |                     |                         |
| 29           | Required increase in Revenue to Provide for Income Taxes (L27 - L28)   | \$ 1,054,15                            | \$ 535,652    |                            |                              |                     |                         |
| 30           | Recommended Revenue Requirement  | \$ 12,622,77                           | 9             |                            | 6 6 2 3 6 6                  |                     |                         |
| 31<br>32     | Uncollectible Rate (Line 10) Uncollectible Expense on Recommended Revenue (L24 * L25)  | 0,0000                                 |               |                            |                              |                     |                         |
| 33           | Adjusted Test Year Uncollectible Expense   | <u>:</u>                               | <del></del>   |                            |                              |                     |                         |
| 34           | Required Increase in Revenue to Provide for Uncollectible Exp.   |  | 5 -           |                            |                              |                     |                         |
| 35<br>36     | Property Tax with Recommended Revenue Property Tax on Test Year Revenue  | \$ 553,99<br>\$ 531,42                 |               |                            |                              |                     |                         |
| 37           | Increase in Property Tex Due to Increase in Revenue (L35-L36)  |  | \$ 22,577     |                            |                              |                     |                         |
| 38           | Total Required Increase in Revenue (L26 + L29 ◆ L37)   |  | \$ 1,421,511  | -<br>-                     |                              |                     |                         |
|              |  | (A)                                    | (B)           | (C)                        | (D)                          | (E)                 | <b>(F)</b>              |
|              |  |  | st Year       |                            |                              | y Recommended       |                         |
|              | Celculation of Income Tex:   | \$ 11,201,26                           |               | Water                      |                              |                     | Water                   |
| 39<br>40     | Operating Expenses Excluding Income Taxes  | 8,111,96                               | 5             | \$ 11,201,268<br>8,111,965 | \$ 12,622,779<br>8,134,543   | \$                  | 12,622,779<br>8,134,543 |
| 41<br>42     | Synchronized Interest (L47) Arizons Taxable Income (L39 - L40 - L41)   | 336,21<br>\$ 2,753,08                  |               | \$ 2,753,086               | 336,216<br>\$ 4,152,021      |                     | 336,216<br>4,152,020    |
| 43<br>44     | Arizona State Effective Income Tax Rate (see work papers) Arizona Income Tax (L42 x L43)   | 6.5000<br>\$ 178.95                    | %             | 6.5000%<br>\$ 178,951      | 6.5000%                      |                     | 6.5000%                 |
| 45           | Federal Taxable Income (L42- L44)  | \$ 2,574,13                            |               | \$ 2,574,136               | \$ 269,861<br>\$ 3,882,140   | 5                   | 269,881<br>3,882,139    |
| 45<br>47     | Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%   | \$ 7,50                                | 0             | \$ 7,500                   | \$ 7,500                     |                     | 7,500                   |
| 48<br>49     | Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%<br>Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34% | \$ 6,25<br>\$ 8,50                     | 0             | \$ 6,250<br>\$ 8,500       | \$ 6,250                     | \$                  | 6,250                   |
| 50           | Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%   | \$ 91,65                               | 0             | \$ 91,650                  | \$ 91,650                    | s                   | 8,500<br>91,650         |
| 51<br>52     | Federal Tax on Fifth Income Bracket (\$335,001 -\$10,000,000) @ 34%  | \$ 761,30                              | 5             | \$ 761,306                 | \$ 1,206,028                 | \$                  | 1,206,027               |
| . 53<br>. 54 | Total Federal Income Tax  Combined Federal and State Income Tax (L35 + L42)  | \$ 875,20<br>\$ 1,054,15               |               | \$ 875,206<br>\$ 1,054,157 | \$ 1,319,928<br>\$ 1,589,809 | \$                  | 1,319,927<br>1,589,809  |
|              | COMBINED Applicable Federal Income Tax Rate (Col. [D], L53 - Col. [A], L53   |  | <u></u>       | , 4 1,004,197              |                              |                     | 1,000,600               |
| 55<br>56     | WASTEWATER Applicable Federal Income Tax Rate [Col. [E], L53 - Col. [B]  | L53] / [Col. [E], L45 - Col. [B], L45] |               |                            | 34.0000%                     | 0.0000%             |                         |
| 57           | WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] /   | Col. [F], L45 - Col. [C], L45]         |               |                            |                              |                     | 34.0000%                |
|              | Calculation of interest Synchronization;   |  |               | Water                      |                              |                     |                         |
| 58           | Rate Base  |  | 1             | \$ 33,103,506              |                              |                     |                         |
| 59<br>60     | Weighted Average Cost of Debt<br>Synchronized Interest (LS9 X L60)   |  | <b> </b>      | 1.0157%<br>\$ 336.216      |                              |                     |                         |

Litchfield Park Service Company - Water Division dba Liberty Utilities
Test Year Ended December 31, 2012
Summary of Cost of Capital

Exhibit Proposed Final Schedule D-1 Page 1 Witness: Bourassa

Weighted Cost 1.02% 7.74% 8.76% Cost Rate 6.40% 9.20% 0, <u>Total</u> 15.87% 84.13% 100.00% Percent of

Consolidated Capital Structure of Water and Wastewater Division

Stockholder's Equity <u>Item of Capital</u> Long-Term Debt Totals 를 의

|                      | Revenue Summary With Annualized Revenues to Year End Number of Customers | Rey            | Revenue Summary<br>Ized Revenues to Year End Number o | ٦             | ber of Customer                         | gs              | -       |         | Page 1<br>Witness: Bourassa | Page 1<br>Witness: Bourassa |
|----------------------|--|----------------|---|---------------|---|-----------------|---------|---------|-----------------------------|-----------------------------|
|                      |  |                |   |               |   |                 |         |         | Percent                     | Percent<br>of               |
| ;                    |  |                |   |               |   | :               |         |         | Present                     | Proposed                    |
| Meter                | i  |                | Present   |               | Proposed                                | Pelloci         |         | Percent | water                       | water                       |
| SIZO<br>5/0/3/4 Inch | CIBRO  |                | Kevenues<br>11 R24                                    |               | Kevenues<br>13 587 6                    | Crande          | 763     | 74 91%  | Revenues<br>0 41%           | Nevenues<br>0 11%           |
| 0/4 L-1              |  | •              | 770770  | •             |   | 256 070         | 2 2     | 700 7 0 | 27 208                      | 20 47%                      |
| 3/4 Inch             | Residential  |                | 7,047,010   |               | 3,503,890                               | ,003            | 0 14    | 200     | 70200                       | 0.17.70                     |
| 3/4 Inch             | Residential - Low Income   |                | 202 020 0   |               | # P P P P P P P P P P P P P P P P P P P | 400 004         | 26.     | 12 030  | 20.00                       | 20.00%                      |
|                      | Residential  |                | 3,300,030   |               | 106,020,0                               | 9               | 100     | 13.93/4 | 20.00%                      | 50.3378                     |
| ucu<br>L             | Kesidential - Low Income   |                | 976'9   |               | 10,487                                  | - (             | 1,900   | 45.00%  | 0.00%                       | 0.00%                       |
| 1.5 Inch             | Kesidential  |                | 44,871  |               | 51,734                                  | Ď.              | 6,863   | 19.30%  | 0.40%                       | 0.41%                       |
| 4 inch               | Residential  |                | 0 8 1   |               | n 'o                                    |                 | 66.     | 0.00%   | %<br>00.00<br>0.00          | 0.00%                       |
| gr.                  |  |                | 0 100   |               | 1000                                    | 100             | 1       | 14.000  | 14 0087                     | 27 240/                     |
|                      | Subtotal   |                | 6,485,210   |               | 7,222,025                               | 736,            | 736,815 | 11.36%  | 27.90%                      | 57.21%                      |
| 5/8x3/4 Inch         | Commercial   | 49             | 245   | 63            | 318 \$                                  | •               | 73      | 30.00%  | 0.00%                       | 0.00%                       |
| 3/4 Inch             | Commercial   |                | 8,987   |               | 10,544                                  | -               | 1,557   | 17.32%  | 0.08%                       | 0.08%                       |
| t don't              | Commercial   |                | 28.013  |               | 33,136                                  | un              | 5.123   | 18.29%  | 0.25%                       | 0.26%                       |
| 1 5 Inch             | Commercial   |                | 118.831   |               | 137,507                                 | , <del>co</del> | 18.676  | 15,72%  | 1.06%                       | 1.09%                       |
| 2 Inch               | Commercial   |                | 684.406   |               | 801 050                                 | 116             | 116.644 | 17.04%  | 6.11%                       | 6.35%                       |
| 4 120                | Commercial   |                | 242 692   |               | 277 275                                 | 34              | 34,582  | 14.25%  | 2.17%                       | 2.20%                       |
| do de                | Commercial   |                | 10.786  |               | 13 432                                  | 2               | 2.646   | 24.53%  | 0.10%                       | 0.11%                       |
| 10 Inch              | Commercial   |                | 36,262  |               | 41,490                                  | in in           | 5,229   | 14.42%  | 0.32%                       | 0.33%                       |
|                      |  |                |   |               |   |                 |         |         |                             |                             |
|                      | Subtotal   | c <del>o</del> | 1,130,221   | <del>()</del> | 1,314,751 \$                            | 184,530         | 230     | 16.33%  | 10.09%                      | 10.42%                      |
| 5/8x3/4 Inch         | Irrigation   | . 69           | 906   | s             | 1,056 \$                                |                 | 150     | 16.81%  | 0.01%                       | 0.01%                       |
| 3/4 Inch             | Irrication   |                | 58 536  |               | 67 423                                  | 60              | R 887   | 15.18%  | 0.52%                       | 0.53%                       |
| 1 Inch               | Irrigation   |                | 292,670   |               | 337,957                                 | 45              | 45.287  | 15.47%  | 2.61%                       | 2.68%                       |
| 1.5 Inch             | Irrigation   |                | 342,197   |               | 392.060                                 | 49              | 49.863  | 14.57%  | 3.05%                       | 3.11%                       |
| 2 Inch               | Irrination   |                | 1 777 002   |               | 2.033.354                               | 256             | 352     | 14.43%  | 15.86%                      | 16 11%                      |
| 4 Inch               | Irrigation   |                | 140,026   |               | 161,002                                 | 20,976          | 976     | 14.98%  | 1.25%                       | 1.28%                       |
|                      | Subtotal   | 9              | 2,611,336   | 69            | 2,992,852 \$                            | 381,515         | 515     | 14.61%  | 23.31%                      | 23.71%                      |
| to the               | M  |                | 1.558   |               | 2 135 \$                                | _               | 577     |         | 0.01%                       | 0.00%                       |
| 1.5 lnch             | HW.  |                | 47 101  |               | 54.451                                  | _               | 7 350   |         | 0 42%                       | 0.43%                       |
| 2 Inch               | u W  |                | 320 997   |               | 373 425                                 | 52              | 52.42B  |         | 2 87%                       | 2.96%                       |
| 4 lich               | LI N   |                | 47 487  |               | 54.683                                  | ,               | 192     |         | 0.42%                       | 0.43%                       |
|                      | Subtotal   | 43             | 417,143   | 60            | 484,693 \$                              | 67,             | 67,551  | 16.19%  | 3.72%                       | 3.84%                       |
| 5/8x3/4 Inch         | Fire   | 49             | 28,594  | €             | 37,120 \$                               | 80              | 8,526   | 29.82%  | 0.26%                       | 0.29%                       |
| 3/4 Inch             | <u> </u>   |                | 2.879   |               | 3.736                                   |                 | 857     | 29.78%  | 0.03%                       | 0.03%                       |
| 1 Inch               | Fire   |                | 275   |               | 358                                     |                 | 83      | 30.00%  | 0.00%                       | 0.00%                       |
|                      | Hydrant  |                | 68.030  |               | 77.594                                  | 6               | 9.565   | 14.06%  | 0.61%                       | 0.61%                       |
|                      | Sweeper  |                | 700   |               | 798                                     | •               | 86      | 14.06%  | 0.01%                       | 0.01%                       |
| 8 Inch               | Goodyear   |                | 128,952   |               | 142,421                                 | 13,             | 13,469  | 10.44%  | 1.15%                       | 1.13%                       |
| 4 Inch               | .=5  |                | 000   |               |   |                 |         |         |                             |                             |
| -                    | ====   |                | 3000  |               | 3 978                                   |                 | 918     | 30.00%  | 0.03%                       | 0.03%                       |

| Size Size Residential Residential 3/4 Inch Residential 3/4 Inch 1 Inch 1 Inch Residential 2 Inch Residential 2 Inch Residential 4 Inch Commercial 1.5 Inch Commercial 2 Inch Commercial 3/4 Inch Inrigation Inrigation 1.5 Inch Inrigation Inrigation 1.5 Inch Inrigation 1.1 Inch Inrigation 1.5 Inch Inch Inrigation 1.5 Inch Inch Inrigation 1.5 Inch Inch Inrigation Inrigation 1.5 Inch Inch Inrigation Inrigation 1.5 Inch Inch Inrigation Inrigation Inch Inch Inch Inch Inch Inch Inch Inc | iss<br>antial<br>antial<br>Low Income<br>ential<br>ential<br>ential<br>eccial<br>eccial<br>eccial<br>eccial<br>eccial  | ~ ~ ~ ~ ~ ~ | Present Revenues 34,533 251 96,691 2,131 2,131 (153) 42 4,680                   | Revenues Revenues 37,62 2,66 2,66 2,66 2,66 2,66 2,66 2,66  | -Annuali<br>56<br>59<br>59<br>113<br>22                            | ં . આ જ છ  | enter en                              |            | i de la |
|--|--|-------------|---|---|--|--|---------------------------------------|------------|---|
|  | states antial antial come antial come antial come antial antial antial antial antial antial encial e | ·           | resent  24.533 251 96.691 2,131 2,131 2,131 6,153) 42 4,680                     | Revenue<br>Revenue<br>37,<br>37,<br>110,<br>2               | Annuali<br>56<br>58<br>58<br>58<br>58<br>58<br>58<br>58<br>58      | <u>zation</u> Dollar <u>Change</u> 3,125  13,422 | , , , , , , , , , , , , , , , , , , , |            | In a distance                               |
|  | antial antial antial Low Income antial Low Income antial antial ential ential ercial ercial ercial ercial ercial ercial  |             | resent 49 \$ 34,533 34,533 2,131 2,131 2,131 6,153) 6,153) 4,680                | Revenus<br>37, 37, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2,   | 56<br>58<br>13<br>88   | Dollar<br><u>Change</u> 7<br>3,125<br>7          |                                       |            | Additional                                  |
|  | ista antital a |             | xenues 49 \$ 34,533 34,533 251 96,691 2,131 2,131 6.55 \$ (153) 4.680 4,680     | Revenue 37, 37, 110, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, 2, | 556<br>559<br>559<br>559<br>559<br>559<br>559<br>559<br>559<br>559 | Change 7 3,125 7 7 13,422                        | Percent                               | Additional | Gallons to<br>be Pumped                     |
|  | antial encial eccial   | » »         | 34,533<br>251<br>86,691<br>2,131<br>2,131<br>133,655 \$<br>(153)<br>42<br>4,680 | 37,<br>110,<br>20,<br>150                                   | 258<br>258<br>1113<br>602  | 3,125<br>7<br>13,422                             | Change<br>14 50%                      | Bills      | (In 1.000's)                                |
|  | Low Income antial Low Income antial antial antial antial ential ential ential erecial eercial eercial eercial eercial eercial eercial eercial eercial eercial  | w w         | 251<br>96,691<br>2,131<br>-<br>133,655 \$<br>(153)<br>42<br>4,680               | 110   | 258<br>1113<br>1602<br>1   | 13,422   | 9.05%                                 | 1.429      | 12,169                                      |
|  | ential Low Income ential ential ential cotal cotal ercial ercial ercial ercial   | <b>"</b>    | 86,691<br>2,131<br>-<br>-<br>133,655 \$<br>(153)<br>42<br>4,680                 | 110   | 1113<br>602<br>608   | 13,422   | 2.93%                                 | 13         | 91  |
|  | Low income ential ential ential ential ential cotal cotal eccal  | <b>க</b>    | 2,131<br>-<br>133,655 \$<br>-<br>\$ (153)<br>42<br>4,680                        | 7, 150  | 688  |  | 13.88%                                | 2,257      | 28,881                                      |
|  | ential ential cotal cotal encial encial encial encial encial   |             | 133,655 \$ (153) 42 4,680   | 120   | 889  | 4/1  | 22.11%                                | <b>t</b> , | 9   |
|  | ential cotal eccial eccial eccial eccial   | es es       | 133,655 \$ (153) 42 4 ,680  | 150   | 688  |  | %00.0                                 |            | i- 1  |
|  | total ercial ercial ercial ercial ercial ercial  | es es       | 133,655 \$ (153) 42 4,680   | 150   | ,688   | •  | 0.00%                                 | •          | •   |
|  | ercial<br>ercial<br>ercial<br>ercial   |             | (153)<br>42<br>4,880  |   |  | 17,033   | 12.74%                                | 3,776      | 41,755                                      |
|  | ercial<br>ercial<br>ercial<br>ercial   |             | (153)<br>42<br>4,680  |   | ı  | •  | 0.00%                                 | •          | đ   |
|  | rercial<br>rercial<br>rercial  |             | 42,680  | _   | (176)  | (23)   | 0.00%                                 | 6          | (43)  |
|  | vercial<br>vercial   |             | 4,680   |   | 20   | <b>.</b> 60                                      | 18.94%                                | -          | œ   |
|  | vercial<br>vercial   |             | 4,680   |   |  | •  | 00.00                                 |            |   |
|  |  |             |   | หกั   | 5,329  | 649  | 13.87%                                | 22         | 1,430                                       |
|  | aicia  |             | • 1   |   | •  | •  | %00.0<br>0.00%                        | •          |   |
|  | ercial   |             |   |   |  |  | 0.00%                                 |            |   |
|  | ·  |             |   |   |  | •  |                                       |            |   |
|  |  | <b>6</b> 9  | 4,569 \$  | <br>  | 5,203  | 34,700   | 759.41%                               | 9          | 1,396                                       |
|  | tion   | 49          | ,   |   | <b>65</b>  |  | 0.00%                                 |            |   |
|  | ition  |             | 22  |   | 52   | ຕ  | 14.93%                                | <b>-</b>   | <b>60</b>                                   |
|  | ition  |             | (1,420)   | ೯:  | (1,616)  | (196)  | 0.00%                                 | £:         | (443)                                       |
|  | fion   |             | (4,233)   | 4, α  | (4,832)<br>8 071   | 1 098  | 13.94%                                | (18)       | 705/2                                       |
|  | tton   |             | 6,460   | 7,  | 7,374  | 913  | 14.14%                                | , in       | 2,032                                       |
|  | otal   | 49          | 8,682 \$  | 6   | 9,921  | 1,239  | 14.27%                                | (11)       | 2,735                                       |
|  |  |             | •   |   | ~6   |  | è                                     |            |   |
|  | 1. 12  | ۰           | ₽<br>• •  |   | A  |  | 0.00%                                 | 1 1        |   |
|  | <b>å</b> :   |             | (183)   | ٺ   | (210)  | (27)   | 0.00%                                 | ε          | (53)  |
| 4 Inch MF  |  |             | ,   |   |  |  | 0.00%                                 |            | •   |
| Subtota  | otal   | <b>.</b>    | (183)   | )   | (210) \$   | (27)   | %00:0                                 | (1)        | (53)  |
| 5/8x3/4 Inch Fire  | Ð  | 49          | 237 \$  |   | 307  | 70   | 29.77%                                | 23         | -   |
|  | <b>6</b> 0 (   |             | 82  |   | 107  | 24   | 29.83%                                | <b>6</b> 0 | 0   |
|  | <b>1</b>   |             |   |   | •  | •  | 0.00%                                 |            |   |
| 8 Inch Goodyear  | /ear   |             |   |   |  | ,  | 0.00%                                 |            | •   |
|  | . =  |             | ,   |   | •  | •  | 0.00%                                 | •          | •   |
| Total Bevenue Annialization  | ٠.   | 4           | 147 042 €   | 166 016   | 016 C  | 53 040   | 36.07%                                | 3 780      | 45 832                                      |

DECISION NO. \_\_\_\_\_

| With An                        | Test Year E<br>Re<br>nualized Revenu | Test Year Ended December 31, 2012 Revenue Summary With Annualized Revenues to Year End Number of Customers | 31.2<br>Furth | 1012<br>per of Custom | SJB    |           |          | Proposed Final Schedule H-1<br>Page 3<br>Witness: Bourassa | Schedule H-1   |  |
|--------------------------------|--------------------------------------|--|---------------|-----------------------|--------|-----------|----------|--|----------------|--|
|                                |                                      |  |               |                       | `      |           |          | Percent  | Percent        |  |
| Line                           |                                      |  |               |                       |        |           |          | of<br>Present  | Of<br>Proposed |  |
|                                |                                      | Present  | مَّ           | Proposed              | Dollar | <u>.</u>  | Percent  | Water  | Water          |  |
|                                |                                      | Revenues   | Œ             | Revenues              | Change | 9         | Change   | Revenues   | Revenues       |  |
| Subtotal Metered Revenues      | 49                                   | 10.876.400   | Α             | 12,280,327            | 1.4    | 1,403,927 | 12.91%   | 97.10%   | 97.29%         |  |
| Declinion Usade Adjustment     | •                                    | (58 703)   |               | (58.703)              |        |           | 0.00%    | -0.52%   | -0.47%         |  |
| Subtotal Bevenue Annualization |                                      | 147,042  |               | 166.016               |        | 18,974    | 12.90%   | 1.31%  | 1.32%          |  |
| Total Metered Revenues         | 69                                   | 10,964,740 \$ 12,387,640   | 69            | 12,387,640            |        | ,422,901  | 12.98%   | %68'.26  | 98.14%         |  |
| Misc Reventies                 | 69                                   | 235.723  | 69            | 235,723               |        | 9         | 0.00%    | 2.10%  | 1.87%          |  |
| Reconciling Amount to GL       |                                      | 805  |               | (584)                 |        | (1,389)   | -172.55% | 0.01%  | 0.00%          |  |
| Total Water Revenues           | 69                                   | 11,201,268 \$  |               | 12,622,779            | \$ 1,4 | 421,511   | 12.69%   | 100.00%  | 100.00%        |  |

|                |                   | Litchfield Park Service Company - Water Division dba Liberty Utilities<br>Test Year Ended December 31, 2012          | ervice Company - Water Division db<br>Test Year Ended December 31, 2012 | sion dba Liberty U<br>1, 2012 | tilitles         |                  | Exhibit Proposed Final Schedule H-2 | chedule H-2 |  |
|----------------|-------------------|--|---|-------------------------------|------------------|------------------|-------------------------------------|-------------|--|
|                |                   | <b>Ö</b>   | Customer Summary  |                               |                  |                  | Page 1<br>Witness: Bourassa         | . 60        |  |
|                |                   |  |   |                               |                  |                  |                                     |             |  |
|                |                   |  | (a)<br>Average  |                               |                  | 1                |                                     |             |  |
|                |                   |  | Number of   |                               |                  |                  | 0                                   | 4           |  |
| Line           |                   | ₹ .  | Customers   | Average                       | Present          | Average bill     | Dollar Percei                       | Percent     |  |
| Ś              |                   | 2  | 12/31/2012  | ⊊I :                          | Rat              | Rates            | Amount                              | Amount      |  |
| - 0            | 5/8x3/4 Inch      |  | 28  | 4,277 \$                      |                  | 18.00            | 2.36                                | 15.10%      |  |
| N 6            | 3/4 inch          | Residential<br>Decidential - Low Income  | 9,320   | 7,138                         | 19.47            | 20.07            | 0.57                                | 2.95%       |  |
| ه د            | 1 Inch            | Residential  | 5,835   | 13,707                        | 44.58            | 50.56            | 5.98                                | 13.42%      |  |
| · co           | 1 Inch            | Residential - Low Income   | 24  | 8,161                         | 28.89            | 35.27            | 6.38                                | 22.10%      |  |
| 9              | 1.5 Inch          | Residential  | 26  | 40,907                        | 130.15           | 147.43           | 17.29                               | 13.28%      |  |
| ۰ م            | 2 Inch            | Residential  | ~   | 53,542                        | 183.86           | 33150            | 26.62<br>76.50                      | 30.00%      |  |
| 0 0            | <b>4</b>          | Kesidenia  | 15 293  | •                             | 22.00            | 200              | 200                                 |             |  |
| , <del>c</del> |                   | COLDICA  | 27.01   |                               |                  |                  | •                                   |             |  |
| Ξ              | 5/8x3/4 Inch      | Commercial   | 7   | ·                             | 10.20            | \$ 13.26         | 3.06                                | 30.00%      |  |
| 7              | 3/4 Inch          |  | 31  | 6,052                         | 21.76            | 25.06            | 3.30                                | 15.18%      |  |
| 13             | 1 Inch            | Commercial   | 44  | 12,065                        | 48.54            | 56.68            | 8.13                                | 16.75%      |  |
| 4              | 1.5 Inch          | Commercial   | 54  | 51,926                        | 163.53           | 185.51           | 21.98                               | 13.44%      |  |
| 5              | 2 Inch            | Commercial   | . 253   | 57,587                        | 191.59           | 218.37           | 26.78                               | 13.98%      |  |
| 16             | 4 Inch            | Commercial   | _   | 926,238                       | 2,859.90         | 3,261.50         | 401,60                              | 14.04%      |  |
| 1              | 8 Inch            | Commercial   |   | 30,000                        | 898.80           | 1,119.30         | 220.50                              | 24.53%      |  |
| æ 9            | 10 Inch           | Commercial   | 1   | 895,000                       | 2,882.45         | 3,270.15         | 387.70                              | 13.45%      |  |
| 79             |                   | Subtotal   | 393   |                               |                  |                  |                                     | •           |  |
| 3 5            | 5/8x3/4 Inch      | frigation  | e   | 6,528 \$                      | 22.67            | \$ 25.99         | 3.32                                | 14.65%      |  |
| 22             | 3/4 Inch          |  | 119   | 12,057                        | 36.65            | 41.37            | 4.72                                | 12.88%      |  |
| 23             | 1 Inch            | Irrigation   | 232   | 30,391                        | 95.18            | 108.06           | 12.88                               | 13.53%      |  |
| 24             | 1.5 Inch          | Irrigation   | 98  | 90,421                        | 280.18           | 318.56           | 38.38                               | 13.70%      |  |
| 52             | 2 Inch            | Irrigation   | 249   | 187,244                       | 581.75           | 662.83           | 81.09                               | 13.94%      |  |
| 56             | 4 Inch            | Irrigation   | 8   | 466,516                       | 1,466.94         | 1,672.70         | 205.76                              | 14.03%      |  |
| 27             |                   | Subtotal   | 108   |                               |                  |                  |                                     |             |  |
| 23             | 1 Inch            | MF   | S   | 2,717                         | 25.67            | 35.19            | 9.52                                | 37.09%      |  |
| 30             | 1.5 Inch          | MF   | 16  | 71,146                        | 221.77           | 251.94           | 30.17                               | 13.60%      |  |
| 31             | 2 Inch            | MF   | 112   | 64,098                        | 208.62           | 237.24           | 28.63                               | 13.72%      |  |
| 32             | 4 Inch            | I I  | က   | 393,611                       | 1,246.04         | 1,420.74         | 174.70                              | 14.02%      |  |
| 33             |                   | Subtotal   | 136   |                               |                  |                  |                                     |             |  |
| <b>*</b> '     | 1. 1. 2. 6. 6. 6. | ·  | c   | 4                             | 10.04            | 1000             | 80.6                                | /0C B OC    |  |
| 200            | 3/6 /nch          | FIF6   | 767   | 4 CS                          | 10.27            | 13.33            | 3.06                                | 29.6276     |  |
| 3 5            | 1 4 5 5           | p ( )  | 3 -   | ř                             | 22.07            | 20.84            | 00.0                                | 30.00%      |  |
| ج<br>ج         | 3                 | Trie   | - 67  | 148 689 \$                    | 450 53           | 513.87           | 63.34                               | 14.06%      |  |
| 36             | 8 Inch            | Goodyear   | 2   | 3,248,000                     | 5,373.00         | 5,934.20         | 561.20                              | 10.44%      |  |
| 5              | 4 Inch            | NOI.   | •   | 0                             | 255.00           | 331.50           | 76.5                                | 30.00%      |  |
| 4              |                   | Total  | 16,802  |                               |                  |                  |                                     |             |  |
| 42             |                   |  |   |                               | ė                |                  |                                     |             |  |
| 43             | (a) Average n     | (a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year. | n one (1), indicates  | that less than 12 t           | oills were issue | ed during the ye | ar,                                 |             |  |

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the ye

Proposed Final Schedule H-3 Page i Witness: Bourassa 30.00% 30 Percent Change Exhibit 0.750 1.950 2.950 3.456 48.96 76.50 153.00 74.00 219.30 351.90 657.90 0.750 1.950 2.950 3.456 1.950 (Per 1,000 gallons)

Present Proposed

Rate Rate Change \*\*\* 9 99 99 13.26 13.26 13.26 29.84 33.15 66.30 106.08 212.16 331.50 663.00 575.00 1,524.90 2,850.90 3.03 1.00 1.91 3.03 1.90 1.91 3.03 Proposed Rates 10.20 10.20 10.20 22.95 25.50 51.00 81.60 163.20 255.00 510.00 501.00 841.50 Litchfield Park Service Company - Water Division dba Liberty Utilities
Test Year Ended December 31, 2012
Present and Proposed Rates Present Rates 0 gailons to 5,000 galions 5,001 gallons to 19,000 gailons 19,001 gallons to 30,000 gallons 3,001 gallons to 10,000 gallons 10,001 gallons to 20,000 gallons 0 gallons to 5,000 gallons 5,001 gallons to 20,000 gallons over 20,000 gallons 0 gallons to 3,000 gallons 3,001 gallons to 9,000 gallons 0 gallons to 3,000 gallons 0 gallons to 9,000 gallons over 20,000 gallons over 30,000 gallons over 9,000 gallons over 9,000 gallons Gallons In Minimum (All Meter Sizes and Classes) 5/8x3/4 Inch and 3/4 Inch Meter - Residential 5/8x3/4 Inch and 3/4 Inch Meter - Residential 5/8x3/4 Inch and 3/4 Inch Meter - Com., Irr. Commodity Rates (Residential, Commercial, Industrial) I Inch Meter - Residential, MF 1 Inch Meter - Residential, MF Monthly Usage Charge for: Meter Size (All Classes): 5 Inch 3 Inch - Bulk Water Only Construction - Hydrants 3/4 Inch - Residential Inch - Residential NT = No Tariff i/8x3/4 Inch Inch 1/2 Inch 10 Inch Inch Inch

Litchfield Park Service Company - Water Division dba Liberty Utilities
Test Year Ended December 31, 2012
Present and Proposed Rates

Exhibit Proposed Final Schedule H-3 Page 2 Witness: Bourassa

|   |                                |           | =               | (Per 1,000 gallons) | O gall         | sus)             |  |
|---|--------------------------------|-----------|-----------------|---------------------|----------------|------------------|--|
| Commodity Rates<br>Residential Commercial Industrial) | Block                          |           | Present<br>Rate | ¥                   | _              | Proposed<br>Rate |  |
| Nestavantel, Commercial, meneral in                   |                                |           |                 |                     |                | 1                |  |
| 1 Inch Meter - All Classes, except Residential        | 0 gallons to 20,000 gailons    | S         |                 | 1.91                | <b>⇔</b>       | 1.950            |  |
|   | over 20,000 gallons            | 69        |                 | 3.03                | 6 <del>9</del> | 3.456            |  |
| 1.5 Inch Meter - All Classes                          | 0 gallons to 40,000 gallons    | €9        |                 | 16.1                | Ś              | 1.950            |  |
|   | over 40,000 gallons            | <b>↔</b>  |                 | 3,03                | <del>∽</del>   | 3,456            |  |
| Inch Meter - All Classes                              | 0 gailons to 60,000 gallons    | . •       |                 | 16.1                | 69             | 1.950            |  |
|   | over 60,000 gallons            | es.       |                 | 3.03                | €9             | 3.456            |  |
| Inch Meter - All Classes                              | 0 gailons to 120,000 gallons   | •         |                 | 16.1                | ₩              | 1.950            |  |
|   | over 120,000 gallons           | ₩         | ., -            | 3.03                | <b>∽</b>       | 3.456            |  |
| finch Meters All Classes                              | 0 gallons to 180,000 gallons   | *         |                 | 16.1                | €?             | 1.950            |  |
|   | over 180,000 gallons           | S         | •               | 3.03                | ۶              | 3.456            |  |
| 6 Inch Meter - All Classes                            | 0 gallons to 360,000 gallons   | ٠, ١      |                 | 1.91                | ٠, د           | 1.950            |  |
| •   | over 360,000 gallons           | 9         |                 | 2.0                 | ,              | or.              |  |
| 8 Inch Meter - Bulk resale only                       | All gallons                    | •         |                 | 1.50                | €5             | 1.650            |  |
| 3 Inch Meter - All Classes                            | 0 gallons to 650,000 gallons   | •         |                 | 1.91                | S              | 1.950            |  |
|   | over 650,000 gallons           | <b>\$</b> |                 | 3.03                | 4              | 3,456            |  |
| 10 Inch Meter - All Classes                           | 0 gailons to 940,000 gallons   | s,        |                 | 1.91                | <b>69</b>      | 1.950            |  |
|   | over 940,000 gallons           | s         |                 | 3.03                | S              | 3.456            |  |
| 12 Inch Meter - All Classes                           | 0 gallons to 1,248,000 gallons | s         |                 | 1.91                | S              | 1.950            |  |
|   | over 1,248,000 gallons         | <b>∽</b>  |                 | 3.03                | S              | 3.456            |  |
|   |                                |           |                 |                     |                |                  |  |
|   |                                |           |                 |                     |                |                  |  |
|   |                                |           |                 |                     |                |                  |  |
| Construction- Hydrants                                | All gallons                    | s         |                 | 3.03                | S              | 3.456            |  |
|   |                                |           |                 |                     |                |                  |  |
|   |                                |           |                 |                     |                |                  |  |

Changes in Representative Rate Schedules Test Year Ended December 31, 2012

Exhibit Proposed Final Schedule H-3 Page 3 Witness: Bourassa

| No. |   |    |            |      |            |
|-----|---|----|------------|------|------------|
| 1   |   |    |            |      |            |
| 2   |   |    | Present    |      | Proposed   |
| 3   | Other Service Charges                                 |    | Rates      |      | Rates      |
| 4   | Establishment (Regular Hours) per Rule R14-2-403D (a) | \$ | 20.00      | \$   | 20.00      |
| 5   | Establishment (After Hours) per Rule R14-2-403D (a)   | \$ | 40.00      |      | NT         |
| 6   | Re-Establishment of Service per Rule R14-2-403D (a)   |    | (b)        |      | (b)        |
| 7   | Reconnection (Regular Hours) per Rule R14-2-403D (a)  | \$ | 50.00      | \$   | 20.00      |
| 8   | Reconnection (After Hours) per Rule R14-2-403D (a)    | \$ | 65.00      |      | NT         |
| 9   | Meter Test (if correct) per Rule R14-2-408F (c)       | \$ | 25.00      | \$   | 25.00      |
| 10  | Meter Reread perRule R14-2-408C (if correct)          | \$ | 5.00       | \$   | 5.00       |
| 11  | Fire Hydrant Meter Relocation                         |    | NT         | \$   | 50.00      |
| 12  | Fire Hydrant Meter Repair                             |    | NT         |      | Cost       |
| 13  | NSF Check per Rule R14-2-409F(a)                      | \$ | 20.00      | \$   | 25.00      |
| 14  | Deferred Payment, Per Month                           |    | 1.50%      |      | 1.50%      |
| 15  | Late Charge   |    | (c)        |      | (c)        |
| 16  | Service Calls - Per Hour/After Hours(d)               | \$ | 40.00      | \$   | 40.00      |
| 17  | Deposit Requirements                                  |    | <b>(f)</b> |      | <b>(f)</b> |
| 18  | Deposit Interest                                      |    | 3.50%      |      | 6.00%      |
| 19  | Meter and Service lines                               | •  | see H-3    | , pa | ge 4       |
| 20  | Main Extension Tariff                                 |    | at Cost    |      | at Cost    |
| 21  | •   |    |            |      |            |

22 23

Line

24 (a) Charges applicable to water service. 25

(b) Minimum charge times number of full months off the system. per Rule R14-2-403(D).

(c) Greater of \$5.00 of 1.5% of upaid balance.

(d) Afer horus service charge is appropriate when it is at the customer's requires or convenience. It compensates the utility for additional expenses incurred for providing after-hours services. It is appropriate to apply this charge for any utility 28 service provided after hours at the customers request or for the customer's convenience. 29

(e) Per ACC Rules R14-2-403(B) Residential - two times the average bill.

Commercial - two and one-half times the average bill.

31 32 33

30

34 IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE 35

36 TAX. PER COMMISSION RULE 14-2-409D(5).

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012 Meter and Service Line Charges

Exhibit Proposed Final Schedule H-3 Page 4

Witness: Bourassa

Line <u>No.</u> 1

#### Refundable Meter and Service Line Charges

| 4  |   |    |               |    | Present       |              |              | P  | roposed       |    |          |
|----|---|----|---------------|----|---------------|--------------|--------------|----|---------------|----|----------|
| 5  |   |    | Present       |    | Meter         |              | Proposed     |    | Meter         |    |          |
| 6  | 4 · · · · · · · · · · · · · · · · · · · | :  | Service       |    | Install-      | Total        | Service      |    | Install-      |    | Total    |
| 7  |   |    | Line          |    | ation         | Present      | Line         |    | ation         | P  | roposed  |
| 8  |   |    | <u>Charge</u> |    | <u>Charge</u> | Charge       | Charge       |    | <u>Charge</u> |    | Charge   |
| 9  | 5/8 x 3/4 Inch                          | \$ | 385.00        | \$ | 135.00        | \$<br>520.00 | \$<br>445.00 | \$ | 155.00        | \$ | 600.00   |
| 10 | 3/4 Inch                                |    | 385.00        |    | 215.00        | 600.00       | 445.00       |    | 255.00        |    | 700.00   |
| 11 | 1 Inch                                  |    | 435.00        | ,  | 255.00        | 690.00       | 495.00       |    | 315.00        |    | 810.00   |
| 12 | 1 1/2 Inch                              |    | 470.00        |    | 465.00        | 935.00       | 550.00       |    | 525.00        |    | 1,075.00 |
| 13 | 2 Inch / Turbine                        |    | 630.00        |    | 965.00        | 1,595.00     | At Cost      |    | At Cost       |    | At Cost  |
| 14 | 2 Inch / Compound                       |    | 630.00        |    | 1,690.00      | 2,320.00     | At Cost      | ,  | At Cost       |    | At Cost  |
| 15 | 3 Inch / Turbine                        |    | 805.00        |    | 1,470.00      | 2,275.00     | At Cost      |    | At Cost       |    | At Cost  |
| 16 | 3 Inch / Compound                       |    | 845.00        |    | 2,265.00      | 3,110.00     | At Cost      |    | At Cost       |    | At Cost  |
| 17 | 4 Inch / Turbine                        |    | 1,170.00      |    | 2,350.00      | 3,520.00     | At Cost      |    | At Cost       |    | At Cost  |
| 18 | 4 Inch / Compound                       |    | 1,230.00      |    | 3,245.00      | 4,475.00     | At Cost      |    | At Cost       |    | At Cost  |
| 19 | 6 Inch / Turbine                        |    | 1,730.00      |    | 4,545.00      | 6,275.00     | At Cost      |    | At Cost       |    | At Cost  |
| 20 | 6 Inch / Compound                       |    | 1,770.00      |    | 6,280.00      | 8,050,00     | At Cost      |    | At Cost       |    | At Cost  |
| 21 | 8 Inch & Larger                         |    | At Cost       | •  | At Cost       | At Cost      | At Cost      |    | At Cost       |    | At Cost  |

N/T = No Tariff

26 27

| 27 |                        |                            |   |               |               |
|----|------------------------|----------------------------|---|---------------|---------------|
| 28 | Hydrant Meter Deposit* |                            |   | Present       | Proposed      |
| 29 |                        |                            |   | <u>Charge</u> | <u>Charge</u> |
| 30 | 5/8 x 3/4 Inch         |                            | S | 135.00        | \$<br>135.00  |
| 31 | 3/4 Inch               |                            |   | 215.00        | 215.00        |
| 32 | 1 Inch                 |                            |   | 255.00        | 255.00        |
| 33 | 1 1/2 Inch             |                            |   | 465.00        | 465.00        |
| 34 | 2 Inch / Turbine       |                            |   | 965.00        | 965.00        |
| 35 | 2 Inch / Compound      |                            |   | 1,690.00      | 1,690.00      |
| 36 | 3 Inch / Turbine       |                            |   | 1,470.00      | 1,470.00      |
| 37 | 3 Inch / Compound      |                            |   | 2,265.00      | 2,265.00      |
| 38 | 4 Inch / Turbine       |                            |   | 2,350.00      | 2,350.00      |
| 39 | 4 Inch / Compound      |                            |   | 3,245.00      | 3,245.00      |
| 40 | 6 Inch / Turbine       |                            |   | 4,545.00      | 4,545.00      |
| 41 | 6 Inch / Compound      |                            |   | 6,280.00      | 6,280.00      |
| 42 | 8 Inch & Larger        | The Control of the Control |   | At Cost       | At Cost       |

<sup>\*</sup> Shall have a non-interest bearing deposit of the amount indicated, refundable in its entirety upon return of the meter in good condition and payment of the final bill.

## Litchfield Park Service Company - Water Division dba Liberty Utilities Test Year Ended December 31, 2012

Hook-Up Fees

Exhibit Proposed Final Schedule H-3 Page 5 Witness: Bourassa

| Line       |  |     |             |                    |
|------------|--|-----|-------------|--------------------|
| <u>No.</u> |  | 20  | *           |                    |
| 1<br>2     | Off-site Facilities Hook-up I  | Fan |             |                    |
| 3          | OII-site Facilities HOUR-up 1  | ree |             |                    |
| 4          |  |     | Present     | Proposed           |
| 5          |  |     | Charge      | <u>Charge</u>      |
| 6          | 5/8 x 3/4 Inch   |     | \$<br>1,800 | \$<br>1,800        |
| .7         | 3/4 Inch   |     | 2,700       | 2,700              |
| 8          | 1 Inch   |     | 4,500       | 4,500              |
| 9          | 1 1/2 Inch   |     | 9,000       | 9,000              |
| 10         | 2 Inch   | •   | 14,400      | 14,400             |
| 11         | 3 Inch   |     | 28,800      | 28,800             |
| 12         | 4 Inch   |     | 45,000      | 45,000             |
| 13         | 6 Inch or Larger   |     | 90,000      | NT                 |
| 14<br>15   | 6 Inch<br>8 Inch   |     | NT<br>NT    | 90,000             |
| 16         | 10 Inch  |     | NT          | 144,000<br>310,500 |
| 17         | 12 Inch  |     | NT          | 967,500            |
| 18         | 12 111011  |     | ***         | 707,200            |
| 19         |  |     |             |                    |
| 20         |  |     |             |                    |
| 21         | NT = No Tariff   |     |             |                    |
| 22         |  |     |             |                    |
| 23         |  |     |             |                    |
| 24         |  |     |             |                    |
| 25         | • .  |     |             |                    |
| 26         |  |     |             |                    |
| 27<br>28   |  |     |             |                    |
| 29         |  |     |             |                    |
| 30         |  |     |             |                    |
| 31         |  |     |             |                    |
| 32         |  |     |             |                    |
| 33         |  |     |             |                    |
| 34         |  |     |             |                    |
| 35         | the second secon |     |             |                    |
| 36         |  |     |             |                    |

74437

# WASTEWATER DIVISION SCHEDULES

74437

### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit Proposed Final Schedule A-1 Page 1

Witness: Bourassa

24,190,673

| 2        | · on / · or or · rosto magay                    |                  |                   | Φ  | 24, 190,073     |                |
|----------|---|------------------|-------------------|----|-----------------|----------------|
| 3        | Adjusted Operating Income                       |                  |                   |    | 1,911,197       |                |
| 4        |   |                  |                   |    | 1,011,101       |                |
| 5        | Current Rate of Return                          |                  |                   |    | 7.90%           |                |
| 6        |   |                  |                   |    |                 |                |
| 7        | Required Operating Income                       | ***              |                   | \$ | 2,118,051       |                |
| 8        |   |                  |                   |    |                 |                |
| 9        | Required Rate of Return on Fair Value Rate Base | - 1              |                   | -  | 8.76%           |                |
| 10       |   |                  |                   |    |                 |                |
| 11       | Operating Income Deficiency                     |                  |                   | \$ | 206,854         |                |
| 12       | Conta Barragua Barragua France                  |                  |                   |    |                 |                |
| 13<br>14 | Gross Revenue Conversion Factor                 |                  |                   |    | 1.6496          |                |
| 15       | Increase in Gross Revenue                       |                  | to a *            |    |                 |                |
| 16       | Requirement                                     |                  |                   | \$ | 244 005         |                |
| 17       | Noguneinen                                      |                  |                   | Φ  | 341,225         |                |
| 18       | Adjusted Test Year Revenues                     |                  |                   | \$ | 10,362,796      |                |
| 19       | Increase in Gross Revenue Revenue Requirement   |                  |                   | \$ | 341,225         |                |
| 20       | Proposed Revenue Requirement                    |                  |                   | \$ | 10,704,021      |                |
| 21       | % Increase                                      |                  |                   | •  | 3,29%           |                |
| 22       |   |                  |                   |    |                 |                |
| 23       | Customer  | Present          | Proposed          |    | Dollar          | Percent        |
| 24       | Classification                                  | Rates            | Rates             |    | Increase        | Increase       |
| 25       | Residential                                     | \$<br>7,214,632  | \$ 7,466,283      | \$ | 251,652         | 3.49%          |
| 26       | Residential - Low Income                        | 23,862           | 24,694            |    | 832             | 3.49%          |
| 27       | Residential HOA 145                             | 67,843           | 70,209            |    | 2,366           | 3.49%          |
| 28       | Residential HOA 172                             | 80,475           | 83,282            |    | 2,807           | 3.49%          |
| 29       | Residential HOA 560                             | 262,013          | 271,152           |    | 9,139           | 3.49%          |
| 30       | Multi-Unit 3.                                   | 10,423           | 10,788            |    | 366             | 3.51%          |
| 31       | Multi-Unit 5                                    | 4,524            | 4,683             |    | 159             | 3.51%          |
| 32       | Multi-Unit 6                                    | 6,948            | 7,192             |    | 244             | 3.51%          |
| 33       | Multi-Unit 7                                    | 109,439          | 113,279           |    | 3,840           | 3.51%          |
| 34       | Multi-Unit 8                                    | 6,948            | 7,192             |    | 244             | 3.51%          |
| 35       | Multi-Unit 13                                   | 62,102           | 64,281            |    | 2,179           | 3.51%          |
| 36       | Multi-Unit 15                                   | 267,082          | 276,455           |    | 9,373           | 3.51%          |
| 37<br>38 | Multi-Unit 16                                   | 6,948            | 7,192             |    | 244             | 3.51%          |
| 39       | Multi-Unit 17 Multi-Unit 22                     | 7,383            | 7,642             |    | 259             | 3.51%          |
| 40       | Multi-Unit 43                                   | <br>9,554        | 9,889             |    | 335             | 3.51%          |
| 41       | Multi-Unit 78                                   | 18,674<br>33,874 | 19,329            |    | 655             | 3.51%          |
| 42       | Multi-Unit 84                                   | 36,480           | 35,063<br>37,760  |    | 1,189           | 3.51%          |
| 43       | Multi-Unit 123                                  | 106,833          | 110,582           |    | 1,280           | 3.51%          |
| 44       | Multi-Unit 282                                  | 122,467          |                   |    | 3,749           | 3.51%          |
| 45       | Small Commercial                                | 75,094           | 126,765<br>77,725 |    | 4,298           | 3.51%          |
| 46       | Regular Dom estic                               | 438,612          | 453,960           |    | 2,631<br>15,348 | 3.50%<br>3.50% |
| 47       | Restaurant, Motels, Grocery, Dry Cleaning       | 375,664          | 388,810           |    | 13,147          | 3.50%          |
| 48       | Wigwam Resort - Per Room                        | 143,312          | 148,342           |    | 5,029           | 3.50%<br>3.51% |
| 49       | Wigwam Resort - Main                            | 17,200           | 17,802            |    | 602             | 3.50%          |
| 50       | Elementary Schools                              | 70 174           | 72 630            |    | 2.466           | 3.50%          |

70,174

55,039

21,327

72,967

126,683

508,220

72,630

56,965

22,074

72,967

131,217

508,220

(404)

9,854,576 \$ 10,196,206 \$

10,362,796 \$ 10,704,022 \$

63 64 <u>SUPPORTING SCHEDULES:</u>

Elementary Schools

Community College

Effluent Sales

Subtotal

Rounding

Middle and High Schools

Revenue Annualization

Other Water Revenues

Total of Water Revenues

Reconciling Amount

65 B-1 66 C-1 67 C-3 68 H-1

50

51

52

53

54

55 56

57 58

59

60

61

62

Line No.

Fair Value Rate Base

74437

2,456

1,926

4,534

341,629

341,225

(404)

747

3.50%

3.50%

3.50%

0.00%

3.58%

3.47%

0.00%

0.00%

0.00%

3.29%

#### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Summary of Rate Base

Exhibit

Proposed Final Schedule B-1

Page 1

Witness: Bourassa

|                         |   |        |                           | Witness: Bo | ourassa                               |
|-------------------------|---|--------|---------------------------|-------------|---------------------------------------|
| Line<br><u>No.</u><br>1 |   |        | riginal Cost<br>Rate base |             | air Value<br>ate Base                 |
| 2                       | Gross Utility Plant in Service Less: Accumulated Depreciation | \$     | 74,460,070<br>13,548,214  | \$          | 74,460,070<br>13,548,214              |
| 4                       | Less. Accumulated Depredation                                 |        | 13,346,214                |             | 13,340,214                            |
| 5<br>6                  | Net Utility Plant in Service                                  | . \$   | 60,911,856                | \$          | 60,911,856                            |
| 7                       | Less:   |        |                           |             |                                       |
| 8<br>9                  | Advances in Aid of Construction                               |        | 11,645,290                |             | 11,645,290                            |
| 10<br>11                | Contributions in Aid of Construction                          |        | 28,376,915                | •           | 28,376,915                            |
| 12<br>13                | Accumulated Amortization of CIAC                              |        | (4,153,301)               |             | (4,153,301)                           |
| 14                      | Customer Meter Deposits                                       |        | 81,661                    |             | 81,661                                |
| 15                      | Customer Security Deposits                                    |        | 163,774                   |             | 163,774                               |
| 16                      | Accumulated Deferred Income Tax                               |        | 606,843                   |             | 606,843                               |
| 17                      |   |        | •                         | 4.3         | · · · · · · · · · · · · · · · · · · · |
| 18                      |   |        |                           |             |                                       |
| 19                      | Plus:   |        |                           |             |                                       |
| 20                      | Unamortized Finance   |        | -                         |             |                                       |
| 21                      | Charges   |        | -                         |             | •                                     |
| 22                      | Deferred Tax Assets   |        | =                         |             | •                                     |
| 23                      | Allowance for Working Capital                                 |        | -                         |             | +                                     |
| 24                      |   | 21.4.2 |                           |             |                                       |
| 25                      |   |        |                           |             |                                       |
| 26                      | Total Rate Base   | _\$_   | 24,190,673                | \$          | 24,190,673                            |
| 27                      |   |        |                           |             |                                       |
| 28                      |   |        |                           |             |                                       |
| 29                      |   |        |                           |             |                                       |
| 30                      |   |        |                           |             |                                       |
| 31                      |   |        |                           |             |                                       |
| 32                      |   |        |                           |             |                                       |
| 33                      |   |        |                           |             | Server 5                              |

SUPPORTING SCHEDULES: B-2

42 43

B-3

44 B-5 45 E-1

46 47

41

48

## Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Original Cost Rate Base Proforma Adjustments

Exhibit

Proposed Final Schedule B-2

Page 1

Witness: Bourassa

| Line        |  |    | Adjusted<br>at<br>End of<br>Test Year | Proforma<br><u>Adjustment</u> | A        | ejoinder<br>djusted<br>at end<br>of<br>est Year |
|-------------|--|----|---------------------------------------|-------------------------------|----------|---|
| 1<br>2<br>3 | Gross Utility Plant in Service         | \$ | 74,024,532                            | 435,538                       | \$       | 74,460,070                                      |
| 4           | Less:                                  |    |                                       |                               |          |   |
| 5           | Accumulated                            |    |                                       |                               |          |   |
| 6           | Depreciation                           |    | 13,244,186                            | 304,027                       |          | 13,548,214                                      |
| 7           |  |    | <del></del>                           |                               |          | <del></del>                                     |
| 8           | BE-4 I MILLS DI4                       |    |                                       |                               |          |   |
| 9<br>10     | Net Utility Plant in Service           | \$ | 60,780,346                            | •                             | \$       | 60,911,856                                      |
| 11          | an dervice                             | v  | 30,7 00,040                           | 50°                           | Ψ        | 00,511,000                                      |
| 12          | Less:                                  |    |                                       | t we a                        |          |   |
| 13          | Advances in Aid of                     |    |                                       |                               |          |   |
| 14          | Construction                           |    | 11,645,290                            | •                             |          | 11,645,290                                      |
| 15          |  |    |                                       |                               |          |   |
| 16          | Contributions in Aid of                |    |                                       |                               | , "      |   |
| 17          | Construction - Gross                   |    | 28,470,485                            | (93,570)                      |          | 28,376,915                                      |
| 18          | A                                      |    | (A AAC 775)                           | 202 475                       |          | (4.450.004)                                     |
| 19<br>20    | Accumulated Amortization of CIAC       |    | (4,446,775)                           | 293,475                       |          | (4,153,301)                                     |
| 21          | Customer Meter Deposits                |    | 95,892                                | (14,231)                      |          | 81,661  |
| 22          | Customer Security Deposits             |    | 155,440                               | 8,334                         |          | 163,774   |
| 23          | Accumulated Deferred Income Tax        |    | 982,318                               | (375,475)                     |          | 606,843   |
| 24          |  |    |                                       |                               |          | · <u>-</u>                                      |
| 25          | a a                                    |    |                                       |                               | -        | · _   |
| 26          |  |    |                                       |                               |          |   |
| 27          | Plus:                                  |    |                                       |                               |          |   |
| 28          | Unamortized Finance                    |    |                                       |                               |          |   |
| 29          | Charges                                |    | -                                     |                               |          | -   |
| 30<br>31    | Prepayments Materials and Supplies     |    | _                                     |                               |          | •   |
| 32          | Materials and Supplies Working capital |    |                                       |                               |          |   |
| 33          | 4401King Capital                       |    | <del>-</del>                          | _                             |          | -   |
| 34          |  |    |                                       |                               |          | ·   |
| 35          | Total                                  |    | 23,877,697                            |                               | \$       | 24,190,673                                      |
| 36          | and the second of the second           | -  |                                       |                               | <u> </u> |   |
| 37          |  |    |                                       |                               |          |   |

39 40

45

46 47 SUPPORTING SCHEDULES:

B-2, pages 2

48 E-49

50 51 RECAP SCHEDULES:

74437

| Litch  | Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities<br>Test Year Ended December 31, 2012<br>Original Cost Rate Base Proforma Adjustments | ce Company - Wastewater Division -<br>Test Year Ended December 31, 2012<br>nal Cost Rate Base Proforma Adjustm | Service Company - Wastewater Division - dba<br>Test Year Ended December 31, 2012<br>Original Cost Rate Base Proforma Adjustments | ba Liberty Utilitie<br>ts | ž.         |                         |                                      | Exhibit<br>Proposed Final Schedule B-2<br>Page 2 | 3.5  |
|--|--|--|--|---------------------------|------------|-------------------------|--------------------------------------|--|------|
|  |  |  |  |                           |            | * .                     |                                      | Witness: Bourassa                                |      |
|  | Adjusted   | <del>-</del> I   | €  | Proforma Adiustments      | nents<br>4 | រភ <u>ា</u>             | <b>છ</b> 1 .                         | Rejoinder<br>Adjusted                            |      |
| Nie Nord Institut  | End of Test Year   | Plant-in-<br>Service   | Accumulated<br>Depreciation  | CIAC                      | ADIT       | Security Deposits       | Customer<br>Meter<br><u>Deposits</u> | at end<br>of<br><u>Test Year</u>                 |      |
| Plant in Service   | \$ 74,024,532  | 435,538  | :  |                           |            |                         |                                      | \$ 74,460,070                                    |      |
| Less:<br>Accumulated<br>Depreciation   | 13,244,186   |  | 304,027  |                           |            |                         | . •                                  | 13,548,214                                       | * */ |
| 8<br>9 Net Utility Plant<br>0 in Service   | \$ 60,780,346  | \$ 435,538 \$  | (304,027) \$   | . i                       | •          | •                       | 67                                   | \$ 60,911,856                                    |      |
| 12 Less:<br>13 Advances in Aid of<br>4 Construction  | 11,645,290   |  |  |                           | •          |                         |                                      | 11,645,290                                       |      |
| 15 Contributions in Aid of 17 Construction (CIAC)  | 28,470,485   |  |  | (93,570)                  |            |                         |                                      | 28,376,915                                       |      |
| 19 Accumulated Amort of CIAC   | (4,446,775)  |  |  | 293,475                   |            |                         |                                      | (4,153,301)                                      |      |
| 20 21 Customer Meter Deposits 22 Customer Security Deposits 23 Accumulated Deferred Income Taxes | 95,892<br>155,440<br>982,318   |  |  |                           | (375,475)  | 8,334                   | (14,231)                             | 81,661<br>163,774<br>606,843                     |      |
| 25 26 Plus: 27 Unamortized Finance 28 Charges 29 Prenavments                                     | •<br>•<br>•  |  | •  |                           |            |                         |                                      |  |      |
| *  |  |  |  | 1                         |            |                         |                                      | •  |      |
| 33 Total   | \$ 23,877,697  | 435,538 \$   | (304,027) \$   | (199,905) \$              | 375,475 \$ | (8,334)                 | \$ 14,231                            | \$ 24,190,673                                    |      |
|  |  |  | ,  |                           | REC        | RECAP SCHEDULES:<br>B-1 | JLES:                                |  |      |
| 39 E-1<br>40<br>41   |  |  |  |                           |            |                         |                                      |  |      |

|                   | Citcinied Park Servi   | Litchined Park Service Company - was waren University - University Commes Original Cost Rate Base Proforma Adjustments Adjustment Number 1 | vastewater Division - upa<br>ad December 31, 2012<br>lase Proforma Adjustments<br>nent Number 1 | os Liberty Cum.                         | g c                |                           |                                 |                       |  | Exmont Proposed Final Schedule B-2 Page 3 Witness: Bourassa | Jule B-2   |
|-------------------|--|--|---|---|--------------------|---------------------------|---------------------------------|-----------------------|--|---|--|
|                   |  | Plant-in-Service   | rice<br>Vice  |   |                    |                           | ٠.                              |                       |  |   |  |
|                   |  |  | <b>∢</b> 1  | <b>100</b> 1                            | O                  | Adiu                      | Adjustments<br>E                | ш                     | ଓା                                     | <b>±</b> 1  | 1  |
| \$ <u>\$</u>      |  | Adjusted<br>Orginal<br><u>Cost</u>   | Post<br>Test Year<br>Plant  | Post<br>Test Year<br><u>Retirements</u> | Accrual<br>True-Up | Plant<br>Reclassification | Plant<br>Not Used<br>and Useful | Duplicate<br>Involces | Rettrements<br>and<br>Rectassification | Adjustments to Reconcile Plant to Reconstruction            | Kejoinder<br>Adjusted<br>Original<br><u>Cost</u> |
| 351<br>352<br>353 | l Organization<br>2 Franchise<br>3 Land                                      | 1,850,582  |   |   |                    |                           | (11,217)                        | (3,408)               | -t.                                    | 0   | 1,835,956  |
| 355<br>355        | Structures & Improvements     Power Generation     Collection Sewer Forced   | 24,208,314<br>603,332<br>1 162 597   | 1,081,134   | (28,089)                                | 199,000            | (525,110)                 | (113,329)                       | (400)                 |  |   | 24,821,920<br>602,932<br>1,162,597               |
| 361               | _  | 31,886,680   |   |   |                    | 41,564                    |                                 |                       |  |   | 31,928,245                                       |
| 363               | -  | 76,190   |   |   |                    | 36 A18                    |                                 |                       |  |   | 76,190   |
| 366               |  | 4,057,660  |   |   |                    | 0000                      | -                               |                       |  |   | 4,057,660  |
| 370               | Reuse Meters And Installation  Receiving Wells                               | 44,753<br>860,393  |   |   |                    |                           |                                 |                       |  |   | 44,753<br>860,393                                |
| 371               |  | 799,481  | 21,588  | (10,368)                                |                    | 61,670                    |                                 |                       |  |   | 872,370  |
| 375               |  | 420,334  |   |   |                    | 1                         |                                 |                       |  | •   | 420,334  |
| 380               | <ul> <li>Treatment &amp; Disposal Equipment</li> <li>Plant Sewers</li> </ul> | 5,585,470  | (1,000,000)   | 300,000                                 |                    | 476,749                   |                                 |                       |  | , ,   | 5,362,219  |
| 382               |  | 343,681  |   |   |                    |                           |                                 |                       |  |   | 343,681  |
| 36 gg             | Other Sewer Plant & Equipment Office Furniture & Equipment                   | 871,498  |   | ngir a                                  |                    | (43,005)                  |                                 | (864)                 | 6,193                                  |   | 833,823  |
| 390               |  |  |   |   |                    |                           |                                 |                       |  | •   | , ;  |
| 36                | Transportation Equipment Stores Fourinment                                   | 33,497   |   |   |                    |                           |                                 |                       | (13,303)                               |   | 20,194<br>8 968                                  |
| 393               |  | 145,631  |   | Ē                                       |                    | (15,681)                  |                                 |                       |  | •   | 129,950  |
| 39.5              | Laboratory Equip  Power Onerated Finin                                       | 186,348  |   |   |                    | 836                       |                                 |                       |  | •   | 187,184  |
| 396               |  | 418,996  |   |   | (3,555)            | (2011)                    |                                 |                       |  |   | 415,441  |
| 398               | Other Tangible Plant   | , ,  |   |   |                    |                           |                                 |                       |  |   |  |
|                   |  | •  |   |   |                    |                           |                                 |                       |  |   | •  |
|                   |  |  |   |   |                    |                           |                                 |                       |  | • •   |  |
|                   |  |  |   |   |                    |                           | ٠                               |                       |  | •   |  |
|                   | Plant Held for Future Use TOTALS   | \$ 74.024.532 \$   | 102.722   | \$ 261.543 \$                           | \$ 195.445         | \$ 12.156 \$              | (124.546) \$                    | (4 673)               | \$ (7.110)                             | 0   | \$ 74 460 070                                    |
|                   |  |  |   |   |                    |                           |                                 |                       |  |   |  |
| ä                 | Plant-in-Service per Books   |  |   |   |                    |                           |                                 |                       |  |   | \$ 74,024,532                                    |
| Ē                 | Increase (decrease) in Plant-in-Service                                      |  |   |   |                    |                           |                                 |                       |  |   | \$ 435,538                                       |
| ξ                 | Adjustment to Plant-in-Service   |  |   | ·<br>                                   |                    |                           |                                 |                       |  | 1   | 435,538  |
| 2.2.              | SUPPORTING SCHEDULES<br>B-2, pages 3.1 to 3.9                                |  |   |   | . uwi              |                           |                                 |                       |  |   | ,  |
|                   |  |  |   |   |                    |                           |                                 |                       |  |   |  |

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - A

45 Work papers

Exhibit Proposed Final Schedule B-2 Page 3.1 Witness: Bourassa

| <u> </u>                   | st Year Plant True-up                             |   |                            |
|----------------------------|---|---|----------------------------|
| Acct.<br><u>No.</u><br>380 | <u>Description</u> Treatment & Disposal Equipment | remove amount proposed in Direct              | \$<br>Adjustment (1,000,00 |
| 354<br>371                 | Structures & Improvements Pumping Equipment       | True-up to Final Costs True-up to Final Costs | \$<br>1,081,13<br>21,58    |
|                            |   |   |                            |
| **                         |   |   |                            |
|                            |   |   |                            |
|                            |   |   |                            |
|                            |   |   |                            |
| •                          |   |   |                            |
| <u> </u>                   |   |   |                            |
|                            | Net Adjustment                                    |   | <br>102,7                  |

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - B

Exhibit Proposed Final Schedule B-2 Page 3.2 Witness: Bourassa

| Acct.             |   |            |       |
|-------------------|---|------------|-------|
| <u>No.</u><br>380 | Description Treatment & Disposal Equipment remove amount proposed in Direct | Adju<br>\$ | 300,0 |
| 380               | Treatment & Disposal Equipment true-up to actual cost                       |            | -     |
| 354               | Structures & Improvements   |            | (28,0 |
| 371               | Pumping Equipment   |            | (10,3 |
|                   |   |            |       |
|                   |   |            |       |
|                   |   |            |       |
|                   |   |            |       |
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Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - C Exhibit
Proposed Final Schedule B-2
Page 3.3
Witness: Bourassa

| Acct.   |      |   |  |                              |
|---|------|---|--|------------------------------|
| No. Description 354 Structures & Improvements 396 Communication Equip |      |   |  | Cost<br>\$ 199,000<br>(3,555 |
|   |      |   |  |                              |
|   |      |   |  |                              |
|   | a eg |   |  |                              |
|   |      |   |  |                              |
| en e                              |      |   |  |                              |
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|   |      | * |  |                              |
|   |      |   |  |                              |
|   |      |   |  |                              |
|   |      |   |  |                              |
| $(x_1, \dots, x_{n-1}, x_{n-1}, \dots, x_{n-1}) \in \mathbb{R}^n$     |      |   |  | 4                            |
| No. 200   |      |   |  |                              |
|   |      |   |  | ****                         |
|   |      |   |  |                              |
| Net Adjustment  |      |   |  | \$ 195,44                    |
|   |      |   |  |                              |

Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - D

Exhibit Proposed Final Schedule B-2 Page 3.4 Witness: Bourassa

| ine<br><u>lo</u> |   |   |  |            |        |     |   |    |   |
|------------------|---|---|--|------------|--------|-----|---|----|---|
|                  | Plant Re  | eclassification   |  |            |        |     |   |    |   |
| )<br>            | Acct.<br>No.<br>354<br>361<br>364<br>371<br>380<br>389<br>393<br>394<br>395 | Description Structures & Imp Collection Sewe Flow Measuring Pumping Equipr Treatment & Dis Other Sewer Pla Tools, Shop And Laboratory Equi Power Operated | ers Gravity Devices ment sposal Equipment ant & Equipment d Garage Equip |            |        |     |   | \$ | Cost<br>(525,110)<br>41,564<br>36,618<br>61,670<br>476,749<br>(43,005)<br>(15,681)<br>836<br>(21,485) |
| 5<br>6           |   |   |  |            |        |     |   |    |   |
| 7                |   |   |  |            |        |     |   |    |   |
| 3<br>9           |   |   |  |            |        |     |   |    |   |
| 0                |   |   | _ 4.= -  | e e e esta | er som |     |   |    |   |
| 1<br>2           |   |   |  |            |        |     |   |    |   |
| 3                |   |   |  |            |        |     |   | -  |   |
| <b>4</b><br>5    |   |   |  |            |        |     |   |    |   |
| 6<br>7           |   |   |  |            |        |     | , |    |   |
| 3                |   |   | , , <del>,</del> ,   |            |        |     |   |    |   |
| 0<br>1           |   |   |  |            |        | -94 |   |    |   |
| 2                |   |   |  |            |        |     |   |    |   |
| 3<br>4           |   |   |  |            |        |     |   |    |   |
| 5                |   |   |  |            |        |     |   |    |   |
| 6<br>7           |   |   |  |            |        |     |   |    |   |
| 8                |   |   |  |            |        |     |   |    |   |
| 9<br>0           | Net Adj   | ustment   |  |            |        |     |   | \$ | 12,156  |
| 1                | •   |   |  |            |        |     |   |    |   |
| 2                | SUPPO   | RTING SCHEDL  | JLE  | ь.         |        |     |   |    |   |
| 4                |   | able 6 - Reclassifi   |  |            |        |     |   |    |   |

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - E Exhibit Proposed Final Schedule B-2 Page 3.5 Witness: Bourassa

#### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 1 - F Exhibit Proposed Final Schedule B-2 Page 3.6 Witness: Bourassa

| Dunlic                            | ate Invoices                                   | 4             |   |  |          |  |
|-----------------------------------|--|---------------|---|--|----------|--|
| Duplic                            | ate invoices                                   |               |   |  |          |  |
| Acct.<br><u>No.</u><br>353<br>355 | <u>Description</u><br>Land<br>Power Generation |               |   |  | <u>(</u> | Cost<br>(3,409)<br>(400)   |
| 389                               | Other Sewer Plan                               | t & Equipment |   |  |          | (864)  |
|                                   |  |               |   |  |          |  |
|                                   | b &  |               |   |  |          |  |
|                                   |  |               |   |  |          |  |
|                                   |  |               |   | and the second of the second o |          |  |
| •                                 |  |               |   |  |          |  |
|                                   |  |               |   |  | *        |  |
|                                   |  |               |   |  |          |  |
| 4                                 |  |               |   |  |          | ***  |
|                                   |  |               |   |  |          |  |
|                                   |  | . 11          |   |  | i.       |  |
|                                   |  |               |   |  |          |  |
|                                   |  |               | • |  |          | •  |
|                                   |  |               |   |  |          |  |
|                                   |  |               |   |  |          |  |
|                                   |  |               |   | 2.0  |          |  |
|                                   |  |               |   |  |          | e de la companya de l |
|                                   | djustment                                      |               |   |  |          | (4,673)  |
|                                   | guouriont.                                     |               |   |  | <u> </u> | (4,673)  |
|                                   | ORTING SCHEDUL                                 |               |   |  |          |  |

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1 - G

Exhibit Proposed Final Schedule B-2 Page 3.7 Witness: Bourassa

|                            | <u>ents</u>                                 |                     |                          |                  |                  |  |
|----------------------------|---|---------------------|--------------------------|------------------|------------------|--|
| Acct.<br><u>No.</u><br>391 | <u>Description</u> Transportation Equipment | <u>Year</u><br>2008 |                          |                  | * <u>/</u><br>\$ | Adiustment<br>(7,110)                  |
|                            |   |                     |                          |                  | \$               | (7,110)                                |
| Reclass                    | ifications                                  |                     |                          | ·                |                  |  |
| Acct.<br><u>No.</u><br>391 | <u>Description</u> Transportation Equipment | <u>Year</u>         | Year Reflected on 8-2 Pl | ant <sup>1</sup> | • <b>\$</b>      | Adjustment<br>(6,193                   |
| 389                        | Other Sewer Plant & Equipment               | 2008                | 2008                     |                  | • •              | 6,193                                  |
|                            |   |                     |                          |                  |                  | * *                                    |
|                            |   |                     |                          |                  | \$               | <u> </u>                               |
|                            |   | •                   |                          |                  | , <del>-</del>   |  |
|                            | •   |                     | G                        |                  |                  | **:                                    |
|                            | akt with                                    |                     |                          |                  |                  |  |
|                            |   |                     |                          | ٠                |                  |  |
|                            | •   |                     |                          |                  |                  |  |
|                            |   |                     |                          |                  |                  |  |
|                            |   |                     |                          |                  |                  |  |
|                            | A Company                                   |                     |                          |                  |                  |  |
|                            |   |                     |                          |                  | ***              | ************************************** |
| *                          | Total Adjustment                            |                     |                          | was ding.        | \$               | (7,110                                 |
| SUPPO                      | ORTING SCHEDULE                             |                     |                          |                  |                  |  |

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Onginal Cost Rate Base Proforma Adjustments Adjustment Number 1 - H

Exhibit Proposed Final Schedule B-2 Page 3.8 Witness: Bourassa

| Line       |            |   |     |              |    |                    |     |            |    |              |            |
|------------|------------|---|-----|--------------|----|--------------------|-----|------------|----|--------------|------------|
| <u>No.</u> | D          | Blatian of Direct to Direct December of |     |              |    |                    |     |            |    |              |            |
| 1          | Reconc     | iliation of Plant to Plant Reconstruc   | uon |              |    |                    |     | <b>.</b>   |    |              |            |
| 2          |            |   |     |              |    |                    |     | Rejoinder  |    | Rejoinder    |            |
| 3          |            |   |     | Adjusted     |    |                    |     | Adjusted   |    | Plant        |            |
| 4          | Acct.      |   |     | Orginal      |    | B-2                |     | Orginal    | _  | Per          |            |
| 5          | <u>No.</u> | <u>Description</u>                      | _   | Cost         | _  | <u>Adjustments</u> |     | Cost       |    | construction | Difference |
| 6          | 351        | Organization                            | \$  | -            | \$ |                    | \$  | -          | \$ | -            | \$<br>-    |
| 7          | 352        | Franchise                               |     | -            |    | . =                |     | -          |    | -            | -          |
| 8          | 353        | Land                                    |     | 1,850,582    |    | (14,626)           |     | 1,835,956  |    | 1,835,956    | 0          |
| 9          | 354        | Structures & Improvements               |     | 24,208,314   |    | 613,606            |     | 24,821,920 |    | 24,821,920   | -          |
| 10         | 355        | Power Generation                        |     | 603,332      |    | (400)              |     | 602,932    |    | 602,932      | 0          |
| 11         | 360        | Collection Sewer Forced                 |     | 1,162,597    |    |                    |     | 1,162,597  |    | 1,162,597    | -          |
| 12         | 361        | Collection Sewers Gravity               |     | 31,886,680   |    | 41,564             |     | 31,928,245 |    | 31,928,245   |            |
| 13         | 362        | Special Collecting Structures           |     | -            |    | _                  |     | -          |    |              | _          |
| 14         | 363        | Customer Services                       |     | 76,190       |    | -                  |     | 76,190     |    | 76,190       | -          |
| 15         | 364        | Flow Measuring Devices                  |     | 46,210       |    | 36,618             |     | 82,828     |    | 82,828       |            |
| 16         | 366        | Reuse Services                          |     | 4.057,660    |    |                    |     | 4,057,660  |    | 4,057,660    | -          |
| 17         | 367        | Reuse Meters And Installation           |     | 44,753       |    | _                  |     | 44,753     |    | 44,753       |            |
| 18         | 370        | Receiving Wells                         |     | 860,393      |    | _                  |     | 860.393    |    | 860,393      |            |
| 19         | 371        | Pumping Equipment                       |     | 799,481      |    | 72,890             |     | 872,370    |    | 872,370      |            |
| 20         | 374        | Reuse Distribution Reservoirs           |     | 62,286       |    | -                  |     | 62,286     |    | 62,286       | _          |
| 21         | 375        | Reuse Trans. and Dist. System           |     | 420,334      |    | -                  |     | 420,334    |    | 420,334      |            |
| 22         | 380        | Treatment & Disposal Equipment          |     | 5,585,470    |    | (223,251)          |     | 5,362,219  |    | 5.362,219    | _          |
| 23         | 381        | Plant Sewers                            |     | 47,802       |    | (220,20.)          |     | 47,802     |    | 47,802       |            |
| 24         | 382        | Outfall Sewer Lines                     |     | 343,681      |    | _                  |     | 343,681    |    | 343,681      |            |
| 25         | 389        | Other Sewer Plant & Equipment           |     | 871,498      |    | (37,675)           |     | 833,823    |    | 833,823      |            |
| 26         | 390        | Office Furniture & Equipment            |     | 275,740      |    | (01,010)           |     | 275,740    |    | 275,740      | -          |
| 27         | 390.1      |   |     | 210,140      |    | - * <u>-</u>       |     | 210,140    | •  | 275,740      |            |
| 28         | 391        | Transportation Equipment                |     | 33,497       |    | (13,303)           |     | 20.194     |    | 20,194       | •          |
| 29         | 392        | Stores Equipment                        |     | 8,968        |    | (13,303)           |     | 8.968      |    | 8,968        | -          |
| 30         | 393        | Tools, Shop And Garage Equip            |     | 145.631      |    | (15.681)           |     | 129,950    |    | 129,950      |            |
|            |            |   |     | ,            |    |                    |     |            |    |              | •          |
| 31         | 394        | Laboratory Equip                        |     | 186,348      |    | 836                |     | 187,184    |    | 187,184      | · · · •    |
| 32         | 395        | Power Operated Equipment                |     | 28,090       |    | (21,485)           |     | 6,605      |    | 6,605        | -          |
| 33         | 396        | Communication Equip                     |     | 418,996      |    | (3,555)            | *2" | 415,441    |    | 415,441      | •          |
| 34         | 398        | Other Tangible Plant                    |     | •            |    | <b>=</b> **        |     | -          |    | • • •        | •          |
| 35         |            |   |     |              |    |                    |     |            |    |              |            |
| 36         |            |   |     |              |    |                    |     |            |    |              |            |
| 37         |            |   |     |              |    |                    |     |            |    |              |            |
| 38         |            |   |     |              |    |                    |     |            |    |              |            |
| 39         |            | <u>.</u>                                |     |              |    |                    |     |            |    |              |            |
| 40         |            | Plant Held for Future Use               |     | <del> </del> |    | ····               |     | ·          |    |              |            |
| 41         |            | TOTALS                                  | \$  | 74,024,532   | \$ | 435,537            | \$  | 74,460,069 | \$ | 74,460,070   | \$<br>0    |
| 42         |            |   |     |              |    |                    |     | •          |    |              |            |
| 43         |            |   |     |              |    |                    |     |            |    |              |            |

44 <u>SUPPORTING SCHEDULE</u> 45 B-2, pages 3.1 through 3.7

B-2, pages 3.9 through 3.13

hfield Park Service Company - WW Division dba Liberty Utilities

| Note   Comparison   Compariso   |                   |         |            |            |             |             |             |           | 3           |             |         |              |            |                   |
|--|-------------------|---------|------------|------------|-------------|-------------|-------------|-----------|-------------|-------------|---------|--------------|------------|-------------------|
| During   D   |                   | Allowed |            | Accum      | Plant       |             |             | Actional  |             |             |         |              |            |                   |
| COOK   1783-COOK   |                   | Deprec. | Plant at   | Deprec. At | Additions   | Plant       | Plan        | Plant     | Retirements | Disch       | Columb  | Control      | 1          |                   |
| 1,783,406   1,78   | escription        | Rate    | 9/30/2008  | 8/30/2008  | (Per Books) | Adjustments | Adjustments | Additions | (Per Books) | Retirements | AD Only | (Calculated) | Balance    | Accum.<br>Deprec. |
| 1,789,428   1,780,428   1,78   |                   |         |            |            |             |             |             |           |             |             |         |              |            |                   |
| 1,783,428   1,783,438   1,78   |                   | 0.00%   |            |            |             | •           |             | . •       |             |             |         | ,            | •          |                   |
| 1,783,48    |                   | 0.00%   | ,          | ,          | •           | _           |             | •         |             | •           |         | •            | , ,        | •                 |
| 12.00%   13.73%   14.710.54    |                   | 0.00%   | 1,783,426  | ,          |             |             |             |           |             | ,           |         |              | 1 782 475  | •                 |
| 5.00%         56.8674         107,121         107,021         6,593         107,021         6,593         107,021         6,593         107,021         107,02   | nprovements       | 3.33%   | 18,720,541 | •          | (233,680)   | (20 663)    | ,           | (254 342) |             |             |         | 164 700      | 100,420    | 4 676 970         |
| 2 CONN         1,161,105         (207/186)         681,674         (7514)         674,161         7,116         9,000         1,161,105         9,000         1,161,105         9,000         1,1161,105         9,000         1,1175         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019         1,1176         47,019   | · io              | 5.00%   | 548 674    |            | ()          | (20)        |             | 1         |             | •           |         | 0000         | 10,400,199 | 1,625,370         |
| y         2.00%         2.00%         2.00%         2.00%         2.00%         2.00%         1/17/159         2.00%         1/17/159         2.1/17/159 <th< td=""><td>or England</td><td>200%</td><td>1 161 105</td><td></td><td>•</td><td></td><td></td><td>•</td><td></td><td></td><td></td><td>6,858</td><td>548,674</td><td>113,980</td></th<>  | or England        | 200%    | 1 161 105  |            | •           |             |             | •         |             |             |         | 6,858        | 548,674    | 113,980           |
| 2 200%   | 2000              | 2000    | 1,101,100  | (201,100)  | . !         |             |             | . :       |             |             |         | 5,806        | 1,161,105  | (201,979)         |
| 2 COONS 47 CH 19 19 320  | rers Gravity      | 2.00%   | 23,094,661 | 2,850,025  | 681,674     | (7,514)     |             | 674,161   |             | •           |         | 117,159      | 23,768,822 | 2,967,184         |
| 10,00%   1,0   | ang structures    | 20.5    | •          | ,          | •           |             |             | •         |             |             |         | ,            | •          |                   |
| 1000%   47.019   19.300   19.300   19.301   19   | vices             | 2.00%   | ı          | ,          | ,           |             |             | ,         |             |             |         |              | •          | •                 |
| 2.00%   3.788   462.384   15.510   15.535   15.525   15   | g Devices         | 10.00%  | 47,019     | 19,320     |             |             |             |           |             |             |         | 1 175        | 47 019     | 20.495            |
| 13.39k   52.331   7,510   1,535   1,535   1,106   5,3865   1,535   1,106   5,3865   1,535   1,106   5,3865   1,535   1,535   1,535   1,106   5,3865   1,535   1,535   1,106   5,3865   1,535   1,106   5,3865   1,535   1,106   1,535   1,106   1,535   1,106   1,10   |                   | 2.00%   | 3,789,468  | 482,984    | 160.400     | (23)        |             | 160.341   |             |             |         | 19 24R       | 3 040 808  | ECT 233           |
| 3.33%         B60,383         175,322         7,153         7,174         7,174         7,174         7,174         7,174         7,174         7,178         7,179         7,179         7,179         7,179         7,179         7,179         7,179         7,179         7,179         7,179         7,179  | And Installation  | 8.33%   | 52,331     | 7.610      | 1 535       |             |             | 1 535     |             | , ,         |         | 1 108        | 2,343,000  | 302,332           |
| 12.50% 1,759.801 969,964 7,696 7,696 7,696 55,114 1,707,391 10,00% 5,431,229 1,385,498 1,985 1,9 |                   | 3.33%   | 860,393    | 175,322    |             |             |             | }         |             |             |         | 7 463        | 32,300     | 0,710             |
| 2.50%         62,825         1,999         393         6,193   | oment             | 12.50%  | 1 759 801  | 969.964    | 7 696       |             |             | 7 696     |             |             |         | 201.102      | 4 767 400  | 102,404           |
| 2.50%         414,315         3,884         (36,423)         (47,788)         (4  | Aion Reservoirs   | 2.50%   | 62 825     | 1,959      | 3           |             |             | 2001      |             | •. 1        |         | ± 66         | 67.936     | 970,610,1         |
| 5.00%         5,431,228         1,385,498         (36,423)         (39,423)         (39,423)         (39,423)         (39,423)         (39,423)         (39,423)         (39,423)         (39,430)         (37,633)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,531)         (47,788         (6,532)         (47,788         (6,532)         (47,788         (6,532)         (5,233)         (5,233)         (6,132)         (2,233)         (6,132)         (2,233)         (6,132)         (2,233)         (6,132)         (2,233)         (6,132)         (6,132)         (2,223)         (7,110         (7,054)         (6,0256)         (6,132)         (2,223)         (7,110         (7,054)         (6,132)         (2,223)         (7,110         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,046)         (7,046)         (7,046)         (7,046)         (7,046)         (7,046)         (7,046)         (7,046)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)         (7,054)  | and Dist. System  | 2.50%   | 414.315    | 3,884      |             |             |             |           |             |             |         | 2 580        | 414 215    | 2,532             |
| 5.00% 47,788 6,531  3.33% 343.681 70,253  9.43.981 343.681  2.0861 343.681  2.087 6,65.48 41,241  20.00% 26,548 41,241  20.00% 26,548 10,555 3,358 (6,193) (2,825) 7,110 7,110 1,056 16,143  5.00% 56,167 8,241 4,879 4,879 4,979  10.00% 173,948 60,590 195,163  10.00% 418,996 195,163  10.00% 418,996 195,163  10.00% 418,996 195,163   | isposal Equipment | 2.00%   | 5,431,228  | 1,365,496  | (36,423)    |             |             | (36,423)  |             |             |         | 67.663       | 5394805    | 1 433 159         |
| 3.33% 343,681 70,263 2,861 343,681 10,054 6,193 (5,263) 2,861 343,681 10,054 600,295 3,419 211,268 6,193 (2,825) 7,110 7,110 1,026 16,143 90 8,968 10,00% 173,948 60,590 4,879 7,110 7,110 1,026 113,948 60,990 10,00% 113,948 60,990 10,00% 113,948 60,990 10,00% 113,948 60,990 10,00% 113,948 60,990 10,00% 113,948 60,990 10,00% 1 |                   | 5.00%   | 47,788     | 6,531      |             |             |             | •         |             |             |         | 282          | 47 788     | 7 128             |
| jipment 6.67% 605,548 41,241 (11,446) 6,193 (5,253) 10,054 600,295 (5,00% 20,00 | ines              | 3.33%   | 343,681    | 70,253     |             |             | -           |           |             |             |         | 2861         | 343 681    | 73 114            |
| 12,000% 26,072 58,516 12,496 12,496 12,496 12,1288 12,000% 20,000% 26,016 12,1288 10,505 3,368 (6,193) (2,825) 7,110 7,110 1,005 11,288 10,505 3,368 (6,193) (2,825) 7,110 7,110 1,005 11,288 10,000% 418,996 195,163 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,996 10,000% 418,900% 418,996 | lant & Equipment  | 6.67%   | 605,548    | 41,241     | (11,446)    |             | 6,193       | (5,253)   |             |             |         | 10.054       | 600.295    | 51 204            |
| 20,00% 26,076 10,505 3,369 (6,193) (2,825) 7,110 1,056 16,143 90 8,968 14,00% 173,948 60,590 10,00% 418,996 195,163 10,00% 10,00 | & Equipment       | 6.67%   | 198,772    | 58,516     | 12,496      |             |             | 12.496    |             |             |         | 3.419        | 211 268    | 460.49            |
| 20,00% 26,078 10,505 3,368 (6,193) (2,825) 7,110 7,110 1,056 16,143 90 8,968 2,156 3,50% 13,348 60,580 4,879 7,33 61,046 4,349 173,948 60,580 195,163 10,00% 148,996 195,163 10,00% 148,996 20   | Software          | 20.00%  | •          | •          | •           |             |             |           |             | •           |         | ,            | 207,112    | CCE'1D            |
| 4.00% 8,968 2,156 90 8,968 5,00% 173,948 60,550 173,948 60,550 173,948 173,948 60,550 10,00% 178,948 173,948 60,550 10,00% 178,948 60,550 10,00% 178,948 60,550 10,00% 10,00% 185,163 10,00% 10,00% 185,163 10,00% 185,1 | Equipment         | 20.00%  | 26,078     | 10,505     | 3,368       |             | (6.193)     | (2.825)   | 7,110       | 7 110       |         | 1 058        | 16 143     | 7 750             |
| 5.00% 55.167 8,241 4,879 733 61,500 6,500 10,500 173,948 60,550 10,500 173,948 61,045 10,00% 418,996 195,163 10,00% 418,996 195,163 10,00% 418,996 20  | - E               | 4.00%   | 8,968      | 2.156      |             |             |             | ,         | 2           | 2           |         | 8            | 2 000      | 0.4.4             |
| 10.00% 173,948 60,590 4,349 173,948 60,590 10.00% 418,996 195,163 10.00% | d Garage Equip    | 5,00%   | 56,167     | 8.241      | 4 879       |             |             | 4 879     |             |             |         | 8 66         | 0,900      | 2,240             |
| 10,00% 418,996 195,163 10,476 418,996 2 10,00% 40,000% 418,996 2 10,00% 418,996 2  |                   | 10.00%  | 173,948    | 60,590     | <u>.</u>    |             |             | 2         | -           |             |         | 25.7         | 01,040     | 8,973             |
| 10.00% 418,996 195,163 10.475 418,996 10.00% | d Equipment       | 5.00%   | . •        | ٠          |             |             |             | •         |             |             |         | n<br>r       | 173,948    | 939               |
| 10,00%   | Equip             | 10.00%  | 418,996    | 195,163    | ,           |             |             | •         |             |             |         | 40.475       |            |                   |
| KD 675 773 7 600 6776  | Plant             | 10.00%  | . '        |            |             |             |             | •         |             | •           |         | 10,4/3       | 418,990    | 869'007           |
| KD 675 773 7 690.070   | :                 |         | ,          |            |             |             |             |           |             |             |         |              |            | ,                 |
| KO AFE 773 7 600.070   |                   |         |            |            | ,           |             |             | ,         |             |             |         | •            | •          |                   |
| KO AFE 773 7 600 6776  |                   |         |            |            |             |             |             |           |             | ,           |         | •            |            | •                 |
| KD BYE 773 7 BBOX 76   | -                 | _       |            | •          |             |             |             |           |             |             |         |              | ,          | ,                 |
| KD BACK 773 7 BBOLDTE COMERTY (AND BACK)   |                   | _       |            |            |             |             |             |           |             |             |         |              |            | •                 |
| KD BNE 773 7 SB0.6726 COD.EST (100.000)  | of less           | -       |            | •          |             |             |             | ,         |             |             |         | ,            |            | •.                |
| 7 860 E76 600 E00 (00 000)   | 980 800           |         |            |            |             |             |             |           |             | ,           |         | •            | •          | •                 |
|  |                   |         | 50 BOE 723 | 7 690 676  | 000         | 1000 007    |             |           |             |             |         | - [          |            |                   |

ichfield Park Service Company - WW Division
dae Liberty Utilities

| Invalid         Allowed         Plent         Plent           Line Account         No.         Description         Additions         Plant           1         351 Organization         0.00%         68,263         (11,217)           2         352 Franchise         0.00%         68,263         (11,217)           4         354 Suructures & Improvements         3.33%         643,965         (6,430)           5         360 Collection Sewers Gravity         2.00%         7,457         (400)           6         360 Collection Sewers Gravity         2.00%         3,132,384         (18,762)           8         362 Special Collecting Structures         2.00%         3,132,384         (18,762)           9         364 Flow Measuring Devices         10.00%         3,132,384         (18,762)           10         365 Special Collecting Structures         2.00%         3,132,384         (18,762)           11         366 Ruses Malers And Installation         8.33%         10.00%         33,33           12         367 Ruses Malers And Installation         2.50%         36,942         33,33           13         370 Receiving Wells         2.50%         50%         38,942           14         371 Pumping Equipment <th>lant Plant siments Adjustments (11,217) (6,430) (465,350) (400) (18,762) 41,564 (18,762) 424,288</th> <th>Adjusted Plant Re Additions (P. 57,046 172,085 7,058 1,200 3,155,186 107,733 64,944</th> <th>Piert Sah</th> <th>Salvage Depreciation A/D Only (Calculated) 617,790 27,610 23,294 506,928 6,533 80,073 4,487 10,357</th> <th></th> <th>Accum.  2,243,160 141,590 (178,745) 3,474,112 27,028 582,405 13,203 21,1240,071 3,922 16,832</th> | lant Plant siments Adjustments (11,217) (6,430) (465,350) (400) (18,762) 41,564 (18,762) 424,288 | Adjusted Plant Re Additions (P. 57,046 172,085 7,058 1,200 3,155,186 107,733 64,944 | Piert Sah  | Salvage Depreciation A/D Only (Calculated) 617,790 27,610 23,294 506,928 6,533 80,073 4,487 10,357   |                       | Accum.  2,243,160 141,590 (178,745) 3,474,112 27,028 582,405 13,203 21,1240,071 3,922 16,832   |
|---|--|---|--|--|-----------------------|--|
| Account         Description         Depried         Additions         Ph           No.         Description         0.00%         68,263         Adjust           352         Franchisa         0.00%         68,263         Adjust           353         Land         0.00%         68,263         Adjust           354         Structures & Improvements         0.00%         68,263         Adjust           355         Land         0.00%         68,263         Adjust           360         Collection Sewer Force         2.00%         1,200         Adjust           361         Collection Sewer Forces         2.00%         3,132,384         (Adjust)           362         Collection Sewer Forces         2.00%         3,132,384         (Adjust)           363         Customer Services         2.00%         3,132,384         (Adjust)           364         Four Measuring Devices         2.00%         3,132,384         (Adjust)           370         Reuse Breiser Adjust         3.33%         107,733         33,39%           371         Pumping Equipment         2.50%         3,33%         39,8942           380         Ureatment & Disposal Equipment         5.00%         38,942         <   | Adjusting (4E  | 8 8 8 9 9 8 8 8 8 9 9 9 9 9 9 9 9 9 9 9   |  |  |                       | Accum.  Deprec. 2,243,160 141,590 (178,745 3,474,112 27,028 582,405 13,203 13,203 11,346 1,240,074 1,240,074 1,6823  |
| No.         Description         Rate         (Per Books)         Adjust           352         Franchise         0.00%         - </th <th>Adjustr (46</th> <th></th> <th></th> <th>Capo</th> <th></th> <th>2,243,160<br/>141,580<br/>(178,745<br/>3,474,112<br/>27,028<br/>582,405<br/>13,203<br/>21,1240,074<br/>3,922<br/>16,823</th>  | Adjustr (46  |   |  | Capo   |                       | 2,243,160<br>141,580<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>21,1240,074<br>3,922<br>16,823   |
| 351 Organization         0.00%           352 Franchise         0.00%           353 Land         0.00%           354 Land         0.00%           355 Land         0.00%           354 Structures & Improvements         3.33%           355 Power Generation         5.00%         7,457           360 Collection Sewer Forced         2.00%         7,200           361 Collection Sewer Forced         2.00%         1,200           362 Special Collecting Structures         2.00%         3,132,384           363 Customer Services         2.00%         3,132,384           364 Reuse Services         2.00%         3,132,384           365 Reuse Services         2.00%         3,132,384           366 Reuse Services         2.00%         3,132,384           377 Pumping Equipment         8.33%         2.50%           377 Reuse Distribution Reservoirs         2.50%         38,942           380 Orbert Sewers         3.33%         3.33%           380 Orbert Sewers         2.00%         38,942           380 Orbert Sewers         3.00%         3.33%           380 Orbert Sewers         2.00%         3.33%           380 Orbert Sewers         2.00%           381 Computers an  | <u>a</u> 4 % 4   | 57,046<br>172,085<br>7,058<br>1,200<br>3,155,186<br>36,618<br>107,733               |  | 617,79<br>27,611<br>23,23,29,29,29,29,29,29,29,29,29,29,29,29,39,39,39,39,39,39,39,39,39,39,39,39,39 | + 8 + 6 4 + +         | 2,243,160<br>141,590<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>21,1240,073<br>1,240,073<br>1,240,073<br>1,240,073<br>1,240,073<br>1,240,073<br>1,240,073            |
| 351 Organization         0.00%           352 Franchise         0.00%           353 Land         0.00%           354 Structures & Improvements         0.00%           355 Land         3.33%           356 Structures & Improvements         3.00%           361 Collection Sewers Gravity         2.00%           362 Special Collecting Structures         2.00%           363 Customer Services         2.00%           364 Flow Measuring Devices         2.00%           365 Reuse Services         2.00%           366 Reuse Services         2.00%           367 Reuse Institution Reservors         3.33%           370 Receiving Wells         12.50%           371 Pumping Equipment         2.50%           380 Treatment & Distribution Reservors         2.50%           380 Office Furniture & Equipment         5.00%           380 Office Furniture & Equipment         5.00%           380 Office Furniture & Equipment         5.00%           380 Office Furniture & Equipment         2.00%   | 5. 4   | 57,046<br>172,085<br>7,058<br>1,200<br>3,155,186<br>36,618<br>107,733<br>64,944     |  | 617.79<br>27,611<br>23,23,23,23,23,23,23,23,23,23,23,23,23,2   | न्ह्यं न्8्रं क्रं    | 2,243,160<br>141,590<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>211,136<br>1,240,074<br>3,922  |
| 352 Franchise         0.00%           353 Land         0.00%           354 Structures & Improvements         3.33%         643,865           355 Power Generation         5.00%         7,457           360 Collection Sewers Gravity         2.00%         3,132,384           362 Special Collecting Structures         2.00%         3,132,384           363 Customer Services         2.00%         3,132,384           364 Flow Measuring Devices         2.00%         3,132,384           365 Reuse Services         2.00%         3,132,384           367 Reuse Services         10,00%         -           370 Recaiving Wells         12,50%         59,896           371 Pumping Equipment         2.50%         33,33%           372 Reuse Trans. and Dist. System         2.50%         38,942           380 Treatment & Disposal Equipment         5,00%         38,942           380 Office Furniture & Equipment         5,00%         339           390 Office Furniture & Equipment         20,00%         339           390 Treatment and Software         20,00%         330           391 Trensportation Equipment         20,00%           392 Trensportation Equipment         20,00%           393 Trensportation Equipment         4,  | <u>a</u> 4 % 4   | 57,046<br>172,085<br>7,058<br>1,200<br>3,155,186                                    |  | 617,799<br>27,611<br>23,23<br>506,921<br>6,53<br>80,07<br>4,48<br>28,65<br>224,88                    |                       | 2.243,160<br>141,580<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>13,203<br>13,203<br>13,203<br>13,203<br>13,203<br>13,203<br>13,203<br>14,146<br>15,200,074<br>16,823 |
| 353 Land         0.00%         68,263         (8,263         (8,263         (8,263         (8,263         (8,263         (8,263         (8,263         (8,263         (8,263         (8,263         (9,00%         7,457         7,457         7,457         7,457         7,457         7,457         7,457         7,457         7,457         7,00%         1,200 </td <td><del>3</del>6 4 6 4</td> <td>57,046<br/>172,085<br/>7,058<br/>1,200<br/>3,155,186<br/>107,733<br/>64,944</td> <td></td> <td>617,79<br/>27,610<br/>23,23<br/>506,92<br/>6,53<br/>80,07<br/>4,48<br/>28,65<br/>224,98<br/>10,38</td> <td>म् क्ष्यं म् म्<br/>स्</td> <td>2,243,160<br/>141,530<br/>(178,745<br/>3,474,112<br/>27,028<br/>582,405<br/>13,203<br/>21,113<br/>3,922<br/>16,832</td>                      | <del>3</del> 6 4 6 4   | 57,046<br>172,085<br>7,058<br>1,200<br>3,155,186<br>107,733<br>64,944               |  | 617,79<br>27,610<br>23,23<br>506,92<br>6,53<br>80,07<br>4,48<br>28,65<br>224,98<br>10,38             | म् क्ष्यं म् म्<br>स् | 2,243,160<br>141,530<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>21,113<br>3,922<br>16,832  |
| 354 Structures & Improvements         3.33%         643,865           355 Power Generation         5.00%         7,457           360 Collection Sewer Forced         2.00%         3,132,384           361 Collection Sewers Gravity         2.00%         3,132,384           362 Special Collecting Structures         2.00%         3,132,384           363 Reuse Sarvices         2.00%         107,733           366 Reuse Services         2.00%         107,733           367 Reuse Meters And Installation         8.33%         2.00%           371 Purmping Equipment         2.50%         334           374 Reuse Distriction Reservoirs         2.50%         38,942           375 Reuse Trans, and Dist. System         2.50%         38,942           380 Othert Sewer Plant & Equipment         5.00%         33,34%           380 Other Sewer Plant & Equipment         6.00%         33,34%           380 Other Sewer Plant & Equipment         6.00%         33,34%           380 Other Sewer Plant & Equipment         20,00%           390 Office Furniture & Equipment         20,00%           391 Transportation Equipment         4,00%           392 Stores Equipment         5,00%           393 Stores Equipment         5,00%           393 Stores   | から<br>(4) (4) (4) (4) (4)  | 172,085<br>7,058<br>1,200<br>3,155,186<br>-<br>36,618<br>107,733<br>-<br>64,944     |  | 617.78<br>27.61<br>20.23<br>506.92<br>6.53<br>80.01<br>4.48<br>28.65<br>22.488<br>10.38              | 8 + 8 4 + +           | 2.243,160<br>141,590<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>21,1240,074<br>3,922<br>16,823   |
| 355         Power Generation         5.00%         7,457           360         Collection Sewer Forced         2.00%         3,132,384           361         Collection Sewer Forced         2.00%         3,132,384           362         Special Collecting Structures         2.00%         3,132,384           363         Customer Services         2.00%         107,733           366         Reuse Services         2.00%         107,733           367         Reuse Services         2.00%         107,733           367         Reuse Services         2.00%         3.33%           371         Pumping Equipment         2.50%         58,896           374         Reuse Distribution Reservoirs         2.50%         38,942           375         Reuse Trans. and Dist. System         2.50%         38,942           380         Treatment. & Disposal Equipment         5.00%         38,942           380         Other Sewer Plant. & Equipment         6.00%         39,942           380         Other Sewer Plant. & Equipment         6.00%         39,942           380         Other Sewer Plant. & Equipment         2.00%         39,00%           390         Trensportation Equipment         2.00%         4.00%<   | 4  | 7,058<br>1,200<br>3,155,186<br>36,618<br>107,733<br>64,944                          |  | 27,616<br>23,23,23,23,23,23,23,23,23,23,23,23,23,2   | <b>. ह</b> र में      | 141,590<br>(178,745<br>3,474,112<br>27,028<br>582,405<br>13,203<br>21,136<br>1,240,01,38<br>1,240,01,38  |
| 360 Collection Sewer Forced         2.00%         1,200           361 Collection Sewers Gravity         2.00%         3,132,384         (1)           362 Special Collecting Structures         2.00%         3,132,384         (1)           363 Customer Savices         2.00%         10,733         -           364 Flow Measuring Devices         2.00%         10,7733           367 Reuse Services         2.00%         10,7733           370 Receiving Wells         12,50%         59,896           371 Pumping Equipment         2.50%         2.50%           375 Reuse Trans and Dist System         2.50%         38,942           380 Treatment & Disposal Equipment         5.00%         38,942           381 Plant Sewer Plant & Equipment         5.00%         33,942           382 Outfails Swert Line         5.00%         33,942           380 Office Furniture & Equipment         6.07%         38,00           390 Trensportation Equipment         20,00%         4,00%           392 Stores Equipment         4,00%         5,00%           393 Stores Equipment         5,00%         5,00%   | 4 6  | 1,200<br>3,155,186<br>36,618<br>107,733<br>64,944                                   | and the second s | 23.23<br>506.927<br>8.53<br>80.07<br>7.48<br>22.4.98<br>1.03<br>1.03                                 | £ 8 4 £               | (178,745)<br>3,474,112<br>27,028<br>582,4028<br>13,203<br>211,136<br>1,240,074<br>3,922<br>3,922   |
| 362 Collection Severs Gravity 362 Special Collecting Structures 363 Customer Services 364 Flow Measuring Devices 366 Reuse Services 367 Reuse Meters And Installation 370 Receiving Wells 371 Pumping Equipment 372 Reuse Distribution Reservoirs 373 Reuse Distribution Reservoirs 374 Reuse Distribution Reservoirs 375 Reuse Distribution Reservoirs 376 Reuse Trans. and Dist. System 380 Treatment & Disposal Equipment 380 Office Furniture & Golow 381 Stores Equipment 382 Stores Equipment 383 Stores Equipment 384 Office Furniture & Golow 385 Stores Equipment 386 Stores Equipment 387 Stores Equipment 388 Stores Equipment 388 Stores Equipment 389 Stores Equipment 380 Stores Equipment   | 4 6  | 3,155,186<br>36,618<br>107,733<br>64,944<br>64,944                                  |  | 506,922<br>6,533<br>80,077<br>28,65<br>224,98<br>17,1<br>10,35                                       | 8, 4 <del>-</del>     | 3,474,112<br>27,028<br>582,405<br>13,203<br>1,240,074<br>1,240,074<br>1,832<br>16,832  |
| 362         Special Collecting Structures         2.00%           363         Customer Services         2.00%           364         Flow Measuring Devices         2.00%           365         Reuse Services         10.00%           367         Reuse Services         10.00%           37         Recuiving Wells         3.33%           37         Pumping Equipment         2.50%           37         Reuse Distribution Reservoirs         2.50%           37         Reuse Trans. and Dist. System         2.50%           38         Treatment & Disposal Equipment         5.00%           38         Outfall Sewer Lines         5.00%           39         Orfice Furniture & Equipment         6.67%           390         Computers and Software         20.00%           391         Transportation Equipment         4.00%           392         Strose Equipment         4.00%           393         Strose Equipment         5.00%  | . 34   | 36,618<br>107,733<br>64,944<br>64,944   | en e   | 6,533<br>80,077<br>4,48<br>28,65<br>224,98<br>727,19<br>10,57  | र्ष मृ                | 27,028<br>582,405<br>13,203<br>211,136<br>1,240,074<br>3,922<br>16,833   |
| 363 Customer Services         2.00%           364 Flow Measuring Devices         10.00%           365 Reuse Meters And Installation         2.00%           367 Receiving Wells         3.33%           371 Pumping Equipment         2.50%           375 Reuse Distribution Reservoirs         2.50%           375 Reuse Trans. and Dist. System         2.50%           380 Treatment & Disposal Equipment         5.00%           381 Plant Sewers         3.33%           389 Outrali Sewer Plant & Equipment         6.67%           390 Office Furniture & Equipment         6.67%           390 Transportation Equipment         2.0,00%           391 Transportation Equipment         4.00%           392 Stores Equipment         4.00%           393 Tools. Shook And Garase Equipment         5.00%   | 36,618<br>5,048<br>424,288   | 36,618<br>107,733<br>64,944<br>64,944   | enante de  | 6,53<br>80,07<br>4,48<br>28,65<br>224,99<br>10,38  | र्ष मृ                | 27,028<br>582,405<br>13,203<br>211,136<br>1,240,074<br>3,922<br>16,832   |
| 364 Flow Measuring Devices         10.00%           366 Reuse Services         2.00%           377 Reuse Meters And Installation         8.33%           370 Receiving Wells         3.33%           371 Pumping Equipment         2.50%           372 Reuse Distribution Reservoirs         2.50%           375 Reuse Trans. and Dist. System         2.50%           380 Treatment & Disposal Equipment         5.00%           381 Outfall Sewer Lines         3.33%           389 Outer Sewer Plant & Equipment         6.67%           390 Office Furniture & Equipment         6.67%           391 Computers and Software         20.00%           392 Stores Equipment         4.00%           393 Tools. Shoot And Garase Equip         5.00%   | 36,618<br>5,048<br>424,288   | 36,618<br>107,733<br>64,944<br>64,944   | en de la companya de   | 6,533<br>80,077<br>4,48<br>2,865<br>224,99<br>1,135<br>1,035   | र्य मृ                | 27,028<br>582,405<br>13,203<br>211,136<br>1,240,074<br>3,922<br>16,832   |
| 366         Reuses Services         2 00%         1           367         Reuse Meters And Installation         8 33%         378           370         Receiving Wells         12 50%         378           371         Pumping Equipment         2 50%           375         Reuse Distribution Reservoirs         2 50%           380         Treatment & Disposal Equipment         5 00%           381         Plent Sewers         3 33%           382         Outfall Sewer Isa         3 33%           389         Orber Sewer Plant & Equipment         667%           390         I Computers and Software         20 00%           391         Tensportation Equipment         20 00%           392         Stores Equipment         4 00%           393         Tools Shoot And Garase Equip         5,00%           393         Stores Equipment         6,00%           393         Stores Equipment         5,00%  | 5,048  | 107,733<br>64,944<br>-<br>463,230   |  | 80,07:<br>4,48<br>28,65<br>224,99<br>1,57  | 4. <del>L</del>       | 582,405<br>13,203<br>211,136<br>1,240,074<br>3,922<br>16,832   |
| 367         Reuse Melers And Installation         8.33%           370         Recaiving Wells         12.50%           371         Pumping Equipment         12.50%           375         Reuse Distribution Reservoirs         2.50%           375         Reuse Trans. and Dist. System         2.50%           380         Treatment & Disposal Equipment         5.00%           381         Plent Sewer Inst. & Equipment         5.00%           382         Outfrail Sewer Inst. & Equipment         6.67%           380         Orthar Sewer Plant & Equipment         6.67%           390.1         Computers and Software         20.00%           391         Tensportation Equipment         4.00%           392         Stones Equipment         5.00%           393         Stones Equipment         5.00%           392         Stones Equipment         5.00%   | 5,048  | 64,944  |  | 4,48<br>28,65<br>224,99<br>1,57  | <b>₹</b>              | 13,203<br>211,136<br>1,240,074<br>3,922<br>16,832  |
| 370 Receiving Wells 37.4 Pumping Equipment 2.50% 37.4 Reuse Distribution Reservoirs 2.50% 38.5 Reuse Trans. and Dist. System 2.50% 38.0 Urtail Sewer Lines 6.00% 38.0 Outrail Sewer Lines 6.00% 38.0 Outrail Sewer Lines 6.00% 39.0 Office Furniture & Equipment 6.67% 39.0 Office Furniture & Equipment 6.67% 39.0 Computers and Software 2.0.00% 39.2 Stores Equipment 4.00% 39.3 Transportation Equipment 4.00% 39.3 Tools Shook And Garase Equip 5.00% 39.3 Tools Shook And Garase Equip 5.00%  | 5,048  | 64,944  |  | 28,65<br>224,99<br>1,57  | Ť                     | 211,136<br>1,240,074<br>3,922<br>16,832  |
| 317 Pumping Equipment 12:50% 374 Rause Distribution Reservoirs 2:50% 387 Reuse Trans. and Dist. System 2:50% 381 Outfall Sewer Plant & Equipment 5:00% 382 Outfall Sewer Plant & Equipment 6:67% 390 Office Furniture & Equipment 6:67% 390 Computers and Software 2:0,00% 391 Tenrsportation Equipment 2:0,00% 383 Stores Equipment 4:00% 383 Tools Shook And Garase Equip 5:00%   | 5,048<br>424,288   | 64,944  |  | 224,99<br>1,57<br>10.35  | 7                     | 1,240,074<br>3,922<br>16,832   |
| 374 Rause Distribution Reservoirs 2:50% 375 Rause Distribution Reservoirs 2:50% 380 Treatment & Disposal Equipment 5:00% 381 Dent Sewers 2:50% 382 Outfall Sewer Lines 5:00% 389 Other Sewer Plant & Equipment 6:67% 390.1 Computers and Software 2:0,00% 383 Stores Equipment 4:00% 382 Stores Equipment 5:00% 383 Tools Shop And Garase Equip   | 424,288  | 463,230   |  | 1,57   |                       | 3,922<br>16,832  |
| 314 Reuse Trans. and Dist. System 320 Teatment & Disposal Equipment 321 Plant Sewer Lines 322 Outfall Sewer Lines 329 Other Sewer Plant & Equipment 320 Office Furniture & Equipment 320 Transportation Equipment 321 Transportation Equipment 322 Stores Equipment 323 Transportation Equipment 323 Stores Equipment 323 Stores Equipment 324 Stores Equipment 325 Stores Equipment 327 Stores Equipment 328 Stores Equipment 329 Stores Equipment 329 Stores Equipment  | 424,288  | 463,230   |  | 10.35  |                       | 16,832   |
| 357 Treats I fairs, and Uss. System 5 00% 380 Treatment & Disposal Equipment 5 00% 382 Outfall Sewer Lines 8 Equipment 5 00 00 office Furniture & Equipment 657% 390 Office Furniture & Equipment 20 00% 393 Transportation Equipment 20 00% 393 Stores Equipment 5 00% 393 Stores Equipment 5 00%  | 424,288  | 463,230   |  | nain.  | 38 414,315            |  |
| 390 Plent Sewers Equipment 5,00% 382 Outfail Sewer Lines 667% 399 Other Sewer Plant & Equipment 667% 390 Office Furniture & Equipment 667% 390.1 Computers and Software 20,00% 393 Transportation Equipment 20,00% 392 Stores Equipment 4,00% 393 Tools Shoo And Garase Equip 5,00%   | į  | •   |  | 281,321  | 21 5,858,034          | 1,714,480  |
| 382 Outfall Sewer Lines 389 Other Sewer Plant & Equipment 390 Office Furniture & Equipment 390 (Computers and Software 391 Transportation Equipment 392 Stores Equipment 392 Stores Equipment 400% 393 Tools Shoo And Garase Equip 5,00%  |  |   |  | 2,389  | 99 47,788             | 9,518  |
| 389 Other Sewer Plant & Equipment 6.67% 390 Office Furniture & Equipment 6.67% 390.1 Computers and Software 20.00% 391 Transportation Equipment 20.00% 392 Stores Equipment 4.00% 393 Tools Shop And Garase Equip 5.00%   |  | ,   |  | 11,445   |                       | 84,558   |
| 390 Office Furniture & Equipment 667% 390.1 Computers and Software 20.00% 391 Transportation Equipment 20.00% 392 Stores Equipment 4.00% 393 Tools Shoo And Garase Equip 5.00%  | (43,005)   | 35,756  |  | 41,23  |                       | 92,526   |
| 390.1 Computers and Software 391 Transportation Equipment 392 Stores Equipment 393 Tools. Shop And Garage Equip   | · •  | . •   |  | 14,092   | 22 211,268            | 76,026   |
| 391 Transportation Equipment<br>392 Stores Equipment<br>393 Tools, Shop And Garade Equip  | •  | •   |  | •  |                       | •  |
| 392 Stores Equipment<br>393 Tools Shop And Garage Equip   | •  | •   |  | 3,229  |                       | 7,679  |
| 393 Tools. Shop And Garade Equip  | •  | •   |  | 329  |                       | 2,605  |
|   |  | ,   |  | 3,052  |                       | 12,026   |
| 394 Laboratory Equip  | 836  | 836   |  | 17,437   | 37 174,785            | 82,375   |
| 395   | •  | •   |  | •  |                       |  |
| 396   | •  |   |  | 41 900   | 00 418,996            | 247,538  |
| 398   | •  | • .   |  | •  | •                     | •  |
|   |  | ,   |  | •  |                       | •  |
|   |  | ,   |  | •  | •                     | •  |
|   |  |   |  | •  | •                     | •  |
| 32  |  | •   |  | •  | •                     | •  |
|   | ٠.,  | ,   |  |  | •                     | •  |
| 34 Plant Held for Future Use  |  | •   |  | •  | •                     | •  |
| 35  | 1000 000   | A 104 E03   | 1  | 1 948 686  | 6 64 262 579          | 10,104,048   |

Litchfield Park Service Company - WW Division dba Liberty Utilities Plant Additions and Retirements

|          |                                    |              |         |             |             |             |           | 11-10       |         |              |            |            |
|----------|------------------------------------|--------------|---------|-------------|-------------|-------------|-----------|-------------|---------|--------------|------------|------------|
| ž        | NARUC                              |              | Allowed | Plant       |             |             | Adjusted  | E E         |         |              | i          | . •        |
| Line Acc | Account                            |              | Deprec  | Additions   | Piant       | Plant       | Plan      | Retirements | Salvage | Depreciation | Plant      | Accum.     |
| Si<br>Si | No. Description                    | .El          | Rale    | (Per Books) | Adjustments | Adjustments | Additions | (Per Books) | AD Only | (Calculated) | Balance    | Deprec.    |
| ٠        | 254 Organization                   |              | 76000   | •           |             | •           | •         |             |         | •            |            |            |
| •        |                                    |              | 300     |             |             |             |           |             |         | . ,          |            | •          |
| .,       | 352 Franchise                      |              | %00.0   | •           |             | •           | • ;       |             |         | ,            | 00000      |            |
| W        | 353 Land                           |              | 0.00%   | 1,613       | (3,409)     | •           | (1,796)   |             |         | •            | 1,838,070  |            |
| 67       | 354 Structures & Improvements      | 9ments       | 3.33%   | •           | •           |             | ٠         |             |         | 620,655      | 18,638,284 | 2,863,815  |
|          |                                    |              | 5.00%   | 800         |             | ,           | 800       |             |         | 27,807       | 556,531    | 169,397    |
| , ,      |                                    | Į            | 200%    |             |             |             | ,         |             |         | 23,246       | 1,162,305  | (155,499)  |
| , .      |                                    | zavije.      | 2.00%   | 1.324.126   | (7.422)     |             | 1,316,704 |             |         | 551,647      | 28,240,712 | 4,025,759  |
| , ,•     |                                    | n chines     | 2 00%   | ,           |             |             |           |             |         |              | •          | ٠          |
|          |                                    |              | 2 00%   | 15 630      |             | •           | 15,630    |             |         | 156          | 15,630     | 156        |
| , (      | Classification Services            | 900          | 40.00%  | <u>}</u>    |             | •           | •         |             |         | 8,364        | 83,637     | 35,392     |
| , ,      | TIOW MEGALIFIED DO                 | <u> </u>     | 2000    |             |             | •           | •         |             |         | 81,151       | 4,057,541  | 663,556    |
|          | Reuse Services                     | . Doiselles  | 700.7   |             |             |             | ,         |             |         | 4,487        | 53,866     | 17,690     |
| . '      | Lieuse Mellels Full                | Brailandi    | 2000    |             |             |             | •         |             |         | 28.651       | 860,393    | 239,787    |
| •        |                                    |              | 2000    | . 00        |             | •           | 36 F83    | 935 300     |         | 172.892      | 933.824    | 477,666    |
| ***      |                                    |              | 12.50%  | 30,003      |             | •           | 200,00    | Positions.  |         | 1 571        | 62 825     | 5.493      |
| ••       | 374 Reuse Distribution Reservoirs  | eservoirs    | 2.50%   | ,           |             |             | ,         |             |         | 96.04        | 414 215    | 77 180     |
| .,       | 375 Reuse Trans. and Dist. System  | ist. System  | 2.50%   | •           |             |             | •         |             |         | 905'01       | 414,313    | 200,000    |
| ***      | 380 Treatment & Disposal Equipment | af Equipment | 5.00%   | 35,345      |             | •           | 35,345    |             |         | 293,785      | 5,893,380  | 2,000,20   |
|          | 381 Plant Sewers                   |              | 5.00%   | •           |             | •           | •         |             |         | 2,389        | 4/,/88     | 11,90,     |
| ٠٠,      | 382 Ouffall Sewer Lines            |              | 3.33%   | •           |             | •           | •         |             |         | 11,445       | 343,681    | 96,003     |
| (۰)      | 389 Other Sewer Plant &            | & Equipment  | 6.67%   | 33,548      | (964)       |             | 32,684    |             |         | 43,515       | 668,735    | 136,041    |
| ٠.,      |                                    | upment       | 6.67%   | 10,777      |             | •           | 10,777    | 1.00        |         | 14,451       | 222,046    | 90,477     |
| గ        | 390.1 Computers and Softv          | hware        | 20.00%  |             |             | •           | •         |             |         | •            | •          | •          |
| (**)     | 391 Transportation Equipment       | ment         | 20.00%  | ·           |             | ٠.          |           |             |         | 3,229        | 16,143     | 10,908     |
| (*)      | 392 Stores Equipment               |              | 4.00%   | ,           |             | ,           | •         |             |         | 329          | 8,968      | 2,964      |
| (*)      | 393 Tools, Shop And Garage Equip   | age Equip    | 2.00%   | 2,936       |             |             | 2,936     |             |         | 3,126        | 63,982     | 15,151     |
| (*)      | 394 Laboratory Equip               |              | 10.00%  |             |             |             | •         |             |         | 17,478       | 174,785    | 99,854     |
| (°)      | Power Operated Eq                  | uipment      | 5.00%   | •           |             |             | ,         |             |         | ,            | •          | •          |
| C)       | 396 Communication Equip            |              | 10.00%  | ,           |             | ı           | •         |             |         | 41,900       | 418,996    | 289,438    |
| (*)      | 398 Other Tangible Plant           |              | 10.00%  | •           |             | •           | ,         |             |         | ,            | ,          | •          |
|          | •                                  | -            |         | •           |             | •           | •         |             |         | ,            | •          | •          |
|          |                                    |              |         |             |             |             | •         |             |         | •            | •          | •          |
|          |                                    |              |         |             |             |             |           |             |         | ,            | •          | r          |
|          |                                    | _            |         |             |             |             | •         |             |         | •            | •          | ,          |
|          |                                    |              |         |             |             |             | •         |             |         | •            | •          | ı          |
|          | Plant Held for Future Use          | Use          |         |             |             |             | ,         |             |         | •            | ,          | •          |
|          |                                    |              |         |             |             |             |           |             |         | 200          | 0,0        | 44 474 400 |
| 98       | TOTALS                             |              |         | 1,461,458   | (11,694)    |             | 1,449,764 | 935,300     | -       | 1,962,660    | 25,57,58   | 13,1400    |

| MARUC   | Description      |      | dba Liberty Utilities<br>Plant Additions and Retrements | de Liberty Utilities Plant Additions and Retrements |             |             |             |                   |             |          |              | Exhibit<br>Proposed Final Schedule B-2<br>Page 3.12<br>Witness: Bourassa | redule B-2           |
|---|--|------|---|---|-------------|-------------|-------------|-------------------|-------------|----------|--------------|--|----------------------|
| Description   Plant   | Description         Right         Plant         Addition         Plant         Addition         Plant         Addition         Plant         Addition         Plant         Plan   |      |   |   |             |             |             |                   | 2011        |          |              |  |                      |
| Description         Deproc. Additions         Additions         Plant Plant         Reliements Plant         Plant Adustments         Reliements Adustments         Adustments Adustments         Additions         (Per Books)           Enrachise         0.00%         45.089         (126.691)         3.283.386         45.089         (126.991)         2.283.386           Structures & Improvements         3.33%         45.080         (12.289)         3.580.755         48.087           Collection Sewers Cerarly         2.00%         3.690.023         (2.289)         3.590.755         3.590.755           Collection Sewers Cerarly         2.00%         3.50%         44.147         (782)         6.00         4.702           Collection Sewers Cerarly         2.00%         3.50%         44.147         (782)         6.00         4.702           Collection Sewers Cerarly         3.33%         44.147         (782)         6.00         4.702           Collection Sewers Parks         2.00%         3.50%         44.147         (782)         6.00         4.702           Auss Discussing Wells         2.00%         4.00         4.147         (782)         6.156         74.756           Auss Discussing Equipment         5.00%         5.00         5.00 <td< th=""><th>Operation         Right         Plant (Part Books)         Plant (Part Books)</th><th>VARI</th><th>2</th><th>Allowed</th><th>Plant</th><th></th><th></th><th>Adjusted</th><th>Plant</th><th></th><th></th><th></th><th></th></td<> | Operation         Right         Plant (Part Books)   | VARI | 2   | Allowed   | Plant       |             |             | Adjusted          | Plant       |          |              |  |                      |
| Organization         Rate         (Per Brooks)         Adjustments         Addustments         Per Books           Land         0.00%   | Description         Right         (Per Books)         Adjustments         Addistments         Addistments         Adjustments         Adjustments <th< th=""><th>900</th><th></th><th>Deprec</th><th>Additions</th><th>Plant</th><th>Plant</th><th>Plant</th><th>Retirements</th><th>Salvage</th><th>Depreciation</th><th>Plant</th><th>Accum.</th></th<>  | 900  |   | Deprec  | Additions   | Plant       | Plant       | Plant             | Retirements | Salvage  | Depreciation | Plant  | Accum.               |
| Frenchise 0.00%   | Contention   0.00%   Content   | 2    |   | Rate  | (Per Books) | Adjustments | Adjustments | Additions         | (Per Books) | A/D Only | (Calculated) | Belance  | Deprec.              |
| Franchise  Land  L  | Franchise (2007)  Franchise (2 | Ķ    |   | %000  | •           |             |             |                   |             |          | ,            | ,  |                      |
| Land Shructures & Improvements Strock Shructures & Improvements Strock Collection Sweet Forcet Collection Sweet Gravity Special Collection Structures Customer Sweets Customer Customer Sweets Customer Customer Sweets Customer Customer Sweets Customer  | Land Calculation   | 3 6  |   | 8 8   |             |             | •           |                   |             |          | •            | •  |                      |
| Fourtree & Improvements 3.33% 455,088 (128,691) - 328,396  Power Generation 500% 2,00% 49,087 (2,288) - 3,580,755  Collection Sewer Gravity 2,00% 3,540 - 3,5240 - 3,5240  Flow Measuring Devices 2,00% 3,540 - 3,5240 - 3,5240  Flow Measuring Devices 2,00% 3,540 - 3,5240 - 3,5240  Flow Measuring Devices 2,00% 3,33% - 44,147 (782) 6,000 49,364  Reuse Melers And instellation 8,33% 5,006 - 5,006  Freatment & Disposal Equipment 5,00% 5,006 - 5,006  Flow Measuring Devices 2,00% 5,006 - 5,006  Flow Reuse Disposal Equipment 6,67% 9,304 (1,025) 6,156 74,756  Computers and Dist. System 5,00% 5,006 - 5,009  Outher Sewer Plant & Equipment 6,67% 9,304 - 5,009  Computers and Software 2,00% 5,476 (167) 5,289  Flows Computers and Software 1,000% 5,476 (167) 5,289  Flow Computers and Software 1,000% 5,476 (167) 5,289  Flow Communication Equipment 1,000% 5,476 (167) 5,289  Flow Communication Equipment 1,000% 5,476 (167) 5,289   | Standard    | 200  |   | 9 6   | •           |             | •           | •                 |             |          |              | 4 830 678  | •                    |
| Second Part   | State   Colored as mitopoliments   3.25%   Colored as mitopoliments   Colored as mitopol   | 5    |   | 6.00.   | , ,         | 100000      |             | , 600             |             |          |              | 1,838,676  | , 00                 |
| Collection Sewer Forced 2.00% 3,563,023 (2,268) 3,560,755 (2,006) 2,00% 35,240 35,240 35,240 35,240 35,240 35,240 35,240 33,23% 3,3% 3,3% 3  | Collection Sewer Forced         200%         200%         200%         200%         200%         1,192,306         2,246         1,192,306           Collection Sewer Carchy Special Collecting Structures         200%         3,5240         3,5240         3,5240         6,057         3,5240         6,057         3,5240         6,057         3,5240         6,057         3,5240         6,057         3,5240         6,057         3,5240         6,057         3,5240         6,057         6,057         6,057         8,058         1,146         3,248         1,146         3,00         8,058         1,146         3,00         8,00         1,146         3,00         8,00         1,146         3,00         1,146         3,00         1,146         3,00         1,146         3,00         1,146         3,00         1,14   | S &  |   | 5008  | 48.087      | (160,031)   |             | 328,330<br>48 087 |             |          | 29 123       | 16,900,000   | 3,469,936<br>198,425 |
| Collection Sewers Gravity         2.00%         3.563.023         (2.268)         3.580,755           Special Collecting Structures         2.00%         35,240         35,240           Customer Services         10.00%         3.240         35,240           Flow Measuring Devices         2.00%         44,147         (782)         6,000         49,364           Reuse Services         2.00%         44,147         (782)         6,000         49,364           Reuse Devices Meles And Installation         2.50%         5,006         5,006         5,006           Reuse Distribution Reservoirs         2.50%         6,005         74,756         74,756           Plant Sewers         3.33%         6,156         74,756         74,756           Plant Sewers         3.33%         9,304         9,304         9,304           Office Furbinent         6,67%         9,304         9,304         10,00%         10,00%           Stores Equipment         5,00%         5,00%         5,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%  | Collection Sewere Cranity         2 00%         3,540         2,580,755         600,422         3,1601,467         4           Sepsical Collection Sewere Cranity         2,00%         3,5240         3,5240         6,557         6,570         6,574         6,574         6,574         6,574         6,574         6,574         6,577         6,577         6,577         6,577         6,577         6,577         6,577         6,156         7,476         7,77         6,283         7,77         80,384         4,77         7,78         6,156         7,476         6,156         7,476         80,384         4,77         7,87         80,386         80,386         80,386         80,387         80,386         80,387         80,386         80,387         80,387         80,387         80,387         80,387         80,387         80,387         80,388         80,387         80,388 <td< td=""><td>8</td><td></td><td>2.00%</td><td></td><td></td><td></td><td>1</td><td></td><td></td><td>23.246</td><td>1.162.305</td><td>(132,253)</td></td<>   | 8    |   | 2.00%   |             |             |             | 1                 |             |          | 23.246       | 1.162.305  | (132,253)            |
| Special Collecting Structures         2.00%         35,240         35,240           Customer Services         2.00%         3.5,40         3.5,240           Flow Measuring Devices         2.00%         44,147         (782)         6,000         49,364           Reuse Melers And Installation         3.33%         44,147         (782)         6,000         49,364           Reuse Melers And Installation         2.50%         5,006         -         5,006           Pumping Equipment         2.50%         6,006         -         5,006           Plant Sewers         3.33%         -         5,006         74,756           Plant Sewers Plant & Equipment         6,67%         9,304         9,304         9,304           Computers and Software         20,00%         5,00%         29,211         (485)         28,726           Transportation Equipment         10,00%         5,476         (187)         5,289           Flows Operated Equipment         10,00%         5,476         (187)         5,289           Flant Held for Future Use         10,00%         5,476         (187)         5,289   | Special Collecting Structures   2,00%   35,40   35,240   6,584   6,567   7,854   6,567   7,854   7,8   | 36   |   | 2 00%   | 3,563,023   | (2,268)     |             | 3,560,755         |             |          | 600,422      | 31,801,467   | 4,626,181            |
| Flow Measuring Devices   2,00%   35,240   | Customer Services   2,00%   35,240   955   90,870     Flow Measuring Devices   1,00%   1,10%   | 362  | Special Collecting Structures                           | 2.00%   | •           |             | ,           |                   |             |          | •            | •  | •                    |
| Flow Measuring Devices   10,00%   10,  | Flow Measuring Devices   10 00%  | 363  |   | 2.00%   | 35,240      |             |             | 35,240            |             |          | 965          | 50,870   | 821                  |
| Reuse Meters And Installation         8.33%         2.00%           Reuse Meters And Installation         8.33%         44,147         (782)         6,000         49,364           Pumping Equipment         2.50%         44,147         (782)         6,000         49,364           Reuse Tens, and Dist, System         2.50%         5,005         5,005         5,006           Treatment & Disposal Equipment         5.00%         69,624         (1,025)         6,156         74,756           Outher Sewer Innex         5.00%         5,004         9,304         9,304         9,304           Computers and Software         20,00%         5,00%         9,304         9,304         9,304           Computers and Software         20,00%         5,00%         9,304         9,304         9,304           Computers and Software         20,00%         29,211         (485)         28,726           Transportation Equipment         4,00%         5,00%         5,00%         5,00%           Communication Equipment         10,00%         5,00%         5,00%         5,289           Communication Equipment         10,00%         5,00%         5,00%         5,289           Communication Equipment         10,00%         5,00%  | Reuse Services         2,00%         4,487         2,586         7,541         7,675,552,541         7,675,552,541         7,675,552,541         7,675,552,541         7,675,552,541         7,675,552,541         7,675,552,541         7,675,552,541         7,775,552,541         7,775,752,752,752,752,752,752,752,752,75  | ğ    | _   | 10.00%  | •           |             |             | . •               |             |          | 8,364        | 83,637   | 43,756               |
| Reuse Meters And Installation         8.33%         -   | Reuse Melera And Installation         8.33%         4.447         53.869           Receiving Wells         3.33%         44.147         (782)         6,000         49.364         4,702         118.519         805.339           Punning Equipment         2.50%         44.147         (782)         6,000         49.364         4,702         118.519         87.848           Reuse Distribution Reservoirs         2.50%         6,005         6,156         74.756         2.825         1,571         62.825           Reuse Distribution Reservoirs         2.50%         6,005         6,156         74.756         2.986,136         2.986,388         6,986         7,743         18,073         7,743         18,073         7,743         18,073         7,743         18,073         7,743         18,073         7,743         18,073 <td< td=""><td>36</td><td>_</td><td>2.00%</td><td></td><td></td><td>,</td><td>•</td><td></td><td></td><td>81,151</td><td>4 057 541</td><td>744,707</td></td<>   | 36   | _   | 2.00%   |             |             | ,           | •                 |             |          | 81,151       | 4 057 541  | 744,707              |
| Pumping Equipment   12.50%   44,147   (782)   6,000   49,364   44,147   (782)   6,000   49,364   44,147   (782)   6,000   49,364   46,164   46,166   46,16  | Perceiving Wells   3.33%   44.147   (782) 6,000   49.364   4,702   119.519   890.333   1571   62.285   1571   62.285   1571   62.285   1571   62.285   1571   62.285   1571   62.285   1571   62.285   1571   62.285   1571   1571   62.285   1571      | 367  | Reuse Meters And Installation                           | 8.33%   |             |             |             |                   |             |          | 4,487        | 53,866   | 22,177               |
| Pumping Equipment         12.50%         44,147         (782)         6,000         49,364           Reuse Distribution Reservoirs         2.50%         5,005         5,005         5,006           Treatment & Disposal Equipment         5,00%         69,624         (1,025)         6,156         74,756           Plant Sewers         3.33%         3.33%         3.33%         74,756           Outfall Sewer Lines         6,67%         36,091         36,091           Other Sewer Plant & Equipment         6,67%         9,304         9,304           Computers and Software         20,00%         20,00%         20,00%           Stores Equipment         4,00%         5,476         (187)         5,289           Stores Equipment         10,00%         5,476         (187)         5,289           Power Operated Equipment         10,00%         5,476         (187)         5,289           Communication Equipment         10,00%         5,00%         5,289         7,289           Communication Equipment         10,00%         5,00%         7,289         7,289           Communication Equipment         10,00%         7,280         7,289         7,289   | Pumping Equipment 12:50% 44,147 (782) 6,000 49,364 4,702 119,519 978,488   | 370  |   | 3,33%   | •           |             | ,           |                   |             |          | 28,651       | 860,393  | 268,438              |
| Reuse Distribution Reservoirs 2.50% 5.005  Reuse Trans. and Dist. System 2.50% 6.005  Reuse Trans. and Dist. System 2.50% 6.005  Stock 69,624 (1,025) 6,156 74,756  Stock 69,624 (1,025) 6,156 74,756  Stock 60,000 6,10  | Reuse Distribution Reservoirs         2.50%         6,005         1,571         62,825         1,671         62,825           Reuse Trans. and Dist. System         2.50%         69,605         (1,025)         6,156         74,756         296,338         6,989,139         2,339           Plart Sewar Strain at Sourcest Equipment         5.00%         69,624         (1,025)         6,156         74,756         2,989         47,789         2,389         47,789         2,389         47,789         2,389         47,789         1,445         343,681   | 371  | Pumping Equipment                                       | 12.50%  | 44,147      | (782)       | 6,000       | 49,364            | 4,702       |          | 119,519      | 978,486  | 592,483              |
| Reuse Trans. and Dist. System         2.50%         5.005         -   | Second Reuse Treatment & 500%   5,005   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,420   419,320   10,42   | 374  | Reuse Distribution Reservoirs                           | 2.50%   |             |             | •           |                   |             |          | 1,571        | 62,825   | 7,063                |
| Treatment & Disposal Equipment 5:00% 69:624 (1,025) 6,156  Plant Sewers Sewer Plant & Equipment 6:07% 9:304  Computers and Software 20:00% 29:211 (465)  Computers Equipment 4:00% 5:00% 5:476 (187)  Power Operated Equipment 5:00% 5:00% 5:476 (187)  Power Operated Equipment 10:00% 5:00% 6:476  Communication Equipment 10:00% 5:00% 6:476  Communication Equipment 10:00% 6:465   | Treatment & Disposal Equipment 5.00% 69.624 (1,025) 6,156 74,756 296,538 5,968,136 2,389 47,788 2,384 47,788 3,394 47,788 3,394 47,788 3,394 47,788 3,394 47,788 3,394 47,788 3,394 47,788 3,394 45,804 45,806 704,826 1,434 3,300 4,300 4,181,015 4,702 1,977,03 1,974,03 1,972,036 1,974,03 1,972,036 1,974,03 1,972,036 1,974,03 1,9 | 375  | Reuse Trans, and Dis                                    | 2.50%   | 5,005       |             |             | \$,006            |             |          | 10,420       | 419,320  | 37,610               |
| Plant Sewers         5,00%           Outfall Sewer Plant & Equipment         6,67%         36,091           Office Furniture & Equipment         6,67%         9,304           Office Furniture & Equipment         20,00%         -           Transportation Equipment         20,00%         -           Stores Equipment         4,00%         -           Tools, Shop And Garage Equip         5,00%         5,476           Communication Equipment         5,00%         -           Communication Equipment         10,00%         -           Other Tangible Plant         10,00%         -   | Section   Computer Service   C   | 380  | Disposal  | 5.00%   | 69,624      | (1,025)     | 6,156       | 74,756            |             |          | 296,538      | 5,968,136  | 2,304,803            |
| Outfall Saver Lines Others Saver Lines Others Saver Plant & Equipment 6.67% Gropulers and Software 20.00% Transportation Equipment 20.00% Stores Equipment 4.00% 10.00% Communication Equip 10.00% Other Tangible Plant 10.00%  Plant Held for Future Use   | Outfall Saver Lines         3.33%         11,445         34,681           Outfall Saver Lines         3.33%         45,808         704,826           Office Furnitude         6.67%         9,304         45,808         704,826           Computers and Software         20,00%         -         9,304         16,121         231,350           Transportation Equipment         20,00%         -         -         3,229         16,143           Stores Equipment         4,00%         5,476         (187)         5,289         17,743         180,073           Power Operated Equipment         5,00%         5,476         (187)         5,289         17,743         180,073           Communication Equipment         10,00%         -         -         -         -         -           Communication Equipment         10,00%         -         -         -         -         -           Communication Equipment         10,00%         -         -         -         -         -           Communication Equipment         10,00%         -         -         -         -         -         -           Communication Equipment         10,00%         -         -         -         -         - <td>381</td> <td>Plant Sewers</td> <td>5.00%</td> <td>•</td> <td></td> <td>•</td> <td></td> <td></td> <td></td> <td>2,389</td> <td>47,788</td> <td>14,296</td>   | 381  | Plant Sewers  | 5.00%   | •           |             | •           |                   |             |          | 2,389        | 47,788   | 14,296               |
| Office Furniture & Equipment 6 67% 36.091  Office Furniture & Equipment 20.00% 20.00%  Transportation Equipment 4.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 6.476 (187)  Laboratory Equip 10.00% 6.476 (187)  Communication Equipment 5.00% 10.00% 6.476  Other Tangble Plant 10.00% 10.00%   | Other Sever Plant & Equipment         6 67%         36,091         45,808         704,826           Office Furniture & Equipment         20,00%         9,304         9,304         15,127         231,350           Computers and Software         20,00%         3,209         16,143         35,299         16,143           Stores Equipment         4,00%         5,00%         29,211         (485)         28,726         8,968           Communication Equipment         5,00%         5,476         (187)         5,289         17,743         180,073           Communication Equipment         10,00%         5,476         (187)         5,289         41,900         418,996           Communication Equipment         10,00%         5,476         (187)         5,289         17,743         180,073           Communication Equipment         10,00%         5,476         (187)         5,289         41,900         418,996           Communication Equipment         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         10,00%         1,972,095         1,972,095         1,972,095         1,972,095         1,972,095         1,972,095         1,972,095         1,972   | 382  |   | 3.33%   | • .         | -           | ,           | •                 |             |          | 11,445       | 343,681  | 107,448              |
| Office Furniture & Equipment 6 67% 9,304  Computers and Software 20.00%  Stores Equipment 7.00% 29,21 (485)  Laboratory Equip 10.00% 5,476 (187)  Communication Equip 10.00% 10.00%  Other Tangible Plant 10.00% 10.00%  Plant Held for Future Use  | Office Furniture & Equipment 20,00% 2 | 388  |   | 8.67%   | 36,091      |             | 4           | 36,091            |             |          | 45,808       | 704,826  | 181,849              |
| Computers and Software 20,00%  Transportation Equipment 20,00%  Tools, Shop And Garage Equip 5,00%  Laboratory Equip 5,00%  Communication Equip 10,00%  Communication Equip 10,00%  Other Tangible Plant 10,00%   | Computers and Software 20,00% 3529 16,143 3529 16,143 359 6,968 4,000% 20,00% 29,211 (485) 28,726 3,917 92,709 10,00% 5,476 (187) 5,289 17,743 180,073 1 5,00% Communication Equipment 5,00% 29,211 (485) 5,289 17,743 180,073 1 10,00% 1 | 33   |   | 6.67%   | 9,304       |             |             | 9,304             |             |          | 15, 121      | 231,350  | 105,598              |
| Transportation Equipment 20.00% . Stores Equipment 5.00% .29.211 (485) . Laboratory Equip 6.00% 5.476 (187) . Communication Equip 10.00% 10.00% . Other Tangble Plant 10.00% .  | Transportation Equipment   20,00%   3,229   16,143   | 8    |   | 20.00%  |             |             |             |                   |             |          | ;            |  |                      |
| Stores Equipment 4,00% 29,211 (485) 100% 5,476 (187) 10,00% 5,476 (187) 10,00%   | Stores Equipment 4.00% 350 8.9888 8.988 8. | 391  | Transportation Equipment                                | 20.00%  | •           |             | •           | •                 |             |          | 3,229        | 16,143   | 14,136               |
| Tools, Shop And Garage Equip  10.00% 29.211 (485)  10.00% 5,476 (187)  10.00% 5.00%  Communication Equipment 10.00%  Other Tangible Plant  Plant Held for Future Use  | Tools, Shop And Gerage Equip 5.00% 29.21 (485) 28.725 3.917 92.709 10.00% 5.00% 5.476 (187) 5.289 17.743 180.073 1 5.00% Communication Equip 10.00% 1 | 382  | Stores Equipment  | 4.00%   |             |             | •           | •                 |             |          | 359          | 8,968  | 3,322                |
| Laboratory Equip 10.00% 5,476 (187) - Power Operated Equipment 5.00% - 10.0  | Laboratory Equip 10.00% 5,476 (187) 5,289 17,743 180,073 190,073 10.00% 5,00% 41,900 418,996 10.00%  | 393  | Tools, Shop And Garage Equip                            | 5.00%   | 29,211      | (485)       | ï           | 28,726            |             |          | 3,917        | 92,709   | 19,069               |
| Prover Operated Equipment Communication Equip Other Tangible Plant Plant Held for Future Use  | Power Operated Equipment 5.00%   | 8    | Laboratory Equip  | 10.00%  | 5,476       | (187)       | •           | 5,289             |             |          | 17,743       | 180,073  | 117,597              |
| Communication Equip Other Tangible Plant Plant Held for Future Use  | Communication Equip 10 00% 418 998  Other Tangble Plant 10 00% 418 998  Other Tangble Plant 10 00% 418 998  TOTALS 4,702 1,972,095 68,953,355 13,  | 395  | Power Operated Equipment                                | 5.00%   | ,           |             |             |                   |             |          |              | •  | •                    |
| Other Tangible Plant Plant Held for Future Use  | Other Tangble Plant 10.00% - Plant Held for Future Use 4,300,296 (131,438) 12,156 4,181,015 4,702 - 1,972,035 68,953,355   | 396  | Communication Equip                                     | 10.00%  | ,           |             | ,           | • .               |             |          | 41,900       | 418,996  | 331,337              |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,095 68,953,355  | 398  | Other Tangible Plant                                    | 10.00%  |             |             | ,           | ı                 |             |          | •            | •  |                      |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,095 68,953,355  |      |   |   |             |             |             | 1                 |             |          | ,            | •  | •                    |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,095 68,953,355  |      |   |   |             |             |             |                   |             |          |              |  | •                    |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,035 68,953,355  |      |   |   |             |             |             |                   |             |          | •            |  | •                    |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,095 68,953,356  |      |   |   |             |             |             | •                 |             |          |              |  | •                    |
| Plant Held for Future Use   | 4,300,296 (131,438) 12,156 4,181,015 4,702 1,972,095 68,953,355  |      |   |   |             |             |             | •                 |             |          |              |  | ١                    |
|   | 4,300,296 (131,438). 12,156 4,181,015 4,702 - 1,972,095 68,953,355   |      | Plant Heid for Future Use                               |   |             |             |             | •                 |             |          |              | •  | •                    |
| THE CALL AND  | 4,300,236 (131,438) 12,136 4,181,013 4,702 - 1,972,035 68,953,355  |      | 3 4101  |   | 1 200 000   | 1000        |             |                   |             |          |              |  |                      |

Litchfield Park Service Company - WW Division dba Liberty Utilities Plant Additions and Retirements

Exhibit
Proposed Final Schedule B-2
Page 3.13
Witness: Bourassa

|         |  | •        |             |             |             |           |             |          |              |           |            |          |            |           |
|---------|--|----------|-------------|-------------|-------------|-----------|-------------|----------|--------------|-----------|------------|----------|------------|-----------|
| NARUC   |  | Allowed  | Plant       |             |             | Adjusted  | Plant       |          |              |           |            |          |            |           |
| Account |  | Depried. | Additions   | Plant       | Plant       | Plant     | Retirements | Salvage  | Depreciation | <b>L</b>  | ΡΤΥ        | μ        | Plant      | Accum.    |
| 2       | Description  | Rate     | (Per Books) | Adjustments | Adjustments | Additions | (Per Books) | A/D Only | (Calculated) | Plan      | Retirement | <b>8</b> | Balance    | Deprec.   |
| 5       | Organization   | %000     | •           |             | •           |           |             | •        | •            |           |            |          | •          | •         |
|         | Franchies  | 0.00%    | •           |             | •           | ,         | •           |          | •            |           |            |          | •          | •         |
|         | 2  | %00.0    | (2 541)     | (179)       | . •         | (2.720)   |             | •        |              |           |            |          | 1,835,956  | •         |
|         |  | 2 22%    | 6 184 808   | 187 330     | 759 7RM     | 5 287 274 | 485 079     | 6.478    | 711.547      | 1.081.134 | 28,089     | 18,001   | 24,821,920 | 3,712,796 |
|         | Structures of improvements   | 300.5    | 200,101,10  | 102,000     | faction)    | A 604     | 6.291       | •        | 30.189       |           |            |          | 602 932    | 222,323   |
|         | Power Generation   | 8        | 100         |             |             | 5         | 1           |          | 0000         |           |            |          | 4 469 507  | (100,004) |
| 980     | Collection Sewer Forced  | 2.00%    | 292         |             | •           | 292       |             |          | 23,249       |           |            |          | 1, 102,037 | (109,004) |
| 361     | Collection Sewers Gravity  | 2.00%    | 165,891     | (1,400)     | •           | 164,491   | 37,713      | 407      | 637,297      |           |            |          | 31,926,245 | 5,776,772 |
| 362     | Special Collecting Structures  | 2.00%    | ,           |             | •           | •         | ·           | •        |              |           |            |          | •          | ,         |
|         | Customer Services  | 2.00%    | 25,356      | (37)        | •           | 25,320    |             |          | 1,271        |           |            |          | 76,190     | 2,092     |
|         | Class Management Devices   | 10.00%   |             | •           |             | •         | 808         |          | 8,323        |           |            |          | 82,828     | 51,269    |
|         | Commence and Comme | 200%     | 2,          |             | •           | 118       |             | 23       | 81,152       |           |            |          | 4,057,660  | 825,882   |
|         | Service Services   | 2000     | 27.4        |             |             | (A 77.4)  | 4 339       | •        | 4 107        |           |            |          | 44,753     | 21,945    |
|         | Keuse Meters And Installation  | 6.55     | († († )     |             | •           | F         | 2861        |          | 28.651       |           |            |          | 860,393    | 297.089   |
|         | Receiving Wells  | 3.33%    | . !         |             | - 00        | . 000     | 000         |          | 114 077      | 24 KBB    | 10.368     | 1 349    | 872.370    | 274 226   |
| 371     | Pumping Equipment  | 12.50%   | 257,054     | (96/        | 229,06      | 306,880   | 993,199     |          | 14,97        | 200       | 20,'21     | 2        | 20,210     | S CHAR    |
| 374     | Reuse Distribution Reservoirs  | 2.50%    | •           |             | •           |           | 938         |          | 1,364        |           |            |          | 007,200    | 900,0     |
| 375     | Reuse Trans. and Dist. System  | 2.50%    | 1,013       |             | •           | 1,013     | ٠           | 803      | 10,496       |           |            |          | 420,334    | 48,308    |
|         | Treatment & Disposal Equipment   | 9.00%    | 8,503       | (99)        | 46,304      | 54,742    | 660,659     |          | 283,259      |           |            |          | 5,362,219  | 1,927,403 |
|         | Plant Sewers   | 5.00%    | 4           |             | •           | 4         |             | •        | 2,390        |           |            |          | 47,802     | 16,686    |
|         | Outfall Sewer Lines  | 3,33%    | ı           |             | •           | •         | ·•          |          | 11,445       |           | **         |          | 343,681    | 118,892   |
|         | Other Sewer Plant & Equipment  | 6.67%    | 136,494     |             |             | 136,494   | 7,497       | •        | 51,314       |           |            |          | 833,823    | 225,666   |
|         | Office Furniture & Equipment   | 6.67%    | 44.390      |             |             | 44,390    | •           | •        | 16,911       |           |            |          | 275,740    | 122,510   |
| _       | Computers and Software   | 20.00%   | ,           |             | . •         |           | •           | •        | •            |           | 100        |          | ,          | ı         |
|         | Transportation Equipment   | 20.00%   | 4.051       |             | •           | 4,051     | •           |          | 3,634        |           |            |          | 20,194     | 17,770    |
|         | Stores Foreignent  | 4 00%    | •           |             |             | •         | •           | .*       | 359          |           |            |          | 8,968      | 3,681     |
|         | Toole Shon And Garage For the  | 5.00%    | 53 206      | (284)       | (15 681)    | 37.241    | •           | •        | 5,566        |           |            |          | 129,950    | 24,635    |
|         | aboratory Forin  | 40.00%   | 7 144       | (34)        |             | 7,111     |             | •        | 18,363       |           |            |          | 187,184    | 135,959   |
|         | Down Operated For inment   | 3,00     | 060 80      | 1           | (21 485)    | 6.605     |             | •        | 165          |           |            |          | 6,605      | 165       |
|         | Communication For in   | 10.00%   | 200         | (3.555)     | ()          | (3.555)   | •           | ,        | 41,722       |           |            |          | 415,441    | 373,059   |
|         | Other Tennihle Dlant   | 10.00%   |             |             |             | ,         | ,           | •        | . •          |           |            |          | ٠          |           |
|         |  |          |             |             |             | •         | ,           |          |              |           |            |          | ,          | •         |
|         |  |          |             |             |             | •         |             |          | •            |           |            |          |            | •         |
|         |  |          |             |             |             | ٠         |             |          | ,            |           |            |          | ٠          | .•        |
|         |  |          |             |             |             | •         |             |          |              |           |            |          | ,          | •         |
|         |  | -        |             |             |             | •         |             |          |              |           |            |          | •          |           |
| _       | Diant Held for Entire Hee  |          |             |             |             |           |             |          | •            |           |            |          | •          | •         |
| -       | 200 000 000 000 000  |          |             |             |             |           |             |          |              |           |            |          |            |           |
| -       | 8 18 101   |          | 000         |             | -           |           |             |          |              | -         |            |          |            |           |

| Adjusted Press to the Press Adjustments   Control of the Press Adjustments   Control o   |       |   | Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 | Test Year Ended December 31, 2012 inal Cost Rate Base Proforma Adjustments Adjustment Number 2                            | 1, 2012<br>Adjustments | eje.             |            |                  |           |                  | Proposed Final Schedule B-2<br>Page 4<br>Witness: Bourassa | edule B-2             |
|--|-------|---|--|---|------------------------|------------------|------------|------------------|-----------|------------------|--|-----------------------|
| Adjusted Post Corrus Plant Nov Used Depticate Adjusted Post Corrus Plant Nov Used Depticate Adjusted Adjusted Post Corrus Plant Nov Used Depticate Adjusted  |       |   | Accumulated Deg  | reciation   |                        |                  |            |                  |           |                  |  |                       |
| Adjusted Picst Acques Applicated Post Acques Adjusted Plant Adjusted Post Adjusted A   |       |   |  | </th <th><b>cc</b>i</th> <th>ol</th> <th><u></u></th> <th>Adjustments<br/>E</th> <th></th> <th>Ø</th> <th></th> <th></th> | <b>cc</b> i            | ol               | <u></u>    | Adjustments<br>E |           | Ø                |  |                       |
| Account         Test Year         Account         Plant         Not Used         Deplicate         Additions         and ADDit         ADDit           13,773,944         (10,084)         3,313         (55,222)         (5,661)         700         6,478         0           5,222,855         10,022         12,816         700         407         0         0           1,106,004)         2,910         2,910         407         0         0         0           2,1345         2,1345         2,910         2,910         0         0         0           2,1345         2,1345         0         0         0         0         0         0           1,145         2,1345         0 <th></th> <th></th> <th>Adirested</th> <th>Post</th> <th></th> <th></th> <th>Plant</th> <th></th> <th>Plant</th> <th>Retirements</th> <th>Adjustments<br/>to Reconcile</th> <th>Rejoinder<br/>Adjusted</th>  |       |   | Adirested  | Post  |                        |                  | Plant      |                  | Plant     | Retirements      | Adjustments<br>to Reconcile                                | Rejoinder<br>Adjusted |
| Decr.   Retirement   Time-box   Section   Section   Section   Compared   Decr.  | ğ     |   | Accum.   | Test Year   | Accrual                | Plant            | Not Used   | Duplicate        | Addtions  | and              | A/D to   | Accum.                |
| 23773964 (10,086) 3,313 (55,522) (5,661) (70) 6,478 0<br>(105,004) 2,2910 (407 105,004) 2,2910 (407 105,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,2910 (10,004) 2,201,004 (1   | 휜     |   | Depr.  | Retirement  | True-Up                | Reclassification | and Oseful | Invoices         | Wrong Yrs | Reclassification | Keconstitucion   | 5                     |
| 3,773,964 (10,089) 3,313 (55,722) (5,661) (70) 6,478 0 1 22,289 (10,089) 2,2910 4,07 4,07 4,07 4,07 4,07 4,07 2,218 22,592 22,59   | 351   |   | • •  |   | ~ <sup>7</sup> ·       |                  |            |                  | , ,       |                  | •  | ,                     |
| 3.22.393 (10,048) 3,313 (55,22) (5,64) (70) 6,478 0 2.22.393 (10,048) 3,313 (55,22) (5,64) (70) 6,478 0 2.22.393 (10,049) 2,910 1,241 6 2.22.393 (10,049) 6,487 23,443   | 353   |   | •  |   |                        |                  |            |                  | 7         |                  |  | • i                   |
| 222.383 (109.004) 5.222.885 5.22.885 1.2816 2.002 3.84.48 2.1916 48.106 6.487 6.48.70 6.487 6.48.106 7.5.670 1.6.886 2.34.47 3.34.57 3   | 354   |   | 3,773,984  | (10,088)  | 3,313                  | (55,232)         | (5,661)    | Ę                | 6,478     |                  | , c  | 3,712,78              |
| \$,022,805 2,002 3,845 2,1045 2  | 355   |   | 222,393  |   |                        |                  |            | (ov)             |           |                  | ٠.   | (109,004)             |
| 2.092 2.8453 2.8453 2.8453 2.8453 2.1455 2.1456 2.1449 2.1416 2.1   | 361   |   | 5,222,855  |   |                        | 2,910            |            |                  | 404       |                  | •  | 5,226,172             |
| 2002 2002 201946 21346 21346 2171946 217194 21711 \$ (10,515) \$ (5,661) \$ (5,141) \$ (10,515) \$ (5,661) \$ (5,661) \$ (5,661) \$ (10,515) \$ (10,615) \$ (10,616)   | 362   |   | ,  |   |                        |                  |            |                  | ,         |                  | •  | , 5                   |
| 8.56.869 27.064 27.064 27.064 3.069 4.106  | 363   |   | 2,092  |   |                        |                  |            |                  | •         |                  | •  | 2,08                  |
| 21,345<br>21,045<br>21,045<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>44,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106<br>46,106   | 36    | _                                       | 38,453   |   |                        | 12,816           |            |                  | , 8       |                  |  | 825.88                |
| 297,184<br>8,000<br>1,551,353<br>1,551,353<br>1,551,350<br>1,551,350<br>1,551,350<br>1,551,350<br>1,551,350<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704<br>1,704 | 396   |   | 825,859  |   |                        |                  |            |                  | 3,        |                  | •  | 21.94                 |
| 276,147 (9.019) 6,487 (9.03  | 367   |   | 21,945   |   |                        |                  |            |                  | , ,       |                  |  | 297,08                |
| # 1,551,133 300,000  | 33    | _                                       | 690,182  | (0.010)   |                        | 6.497            |            |                  | ,         |                  | ,  | 274,22                |
| 46.106 1.511   | 27.5  |   | 8.088  | (8)0(8)   | •                      |                  |            |                  | •         |                  |  | 80'8                  |
| 16.866 300,000 75,870 (144) 1,704 1,104 (16.866) (146,000) 75,870 (146,000) 1,104 (10.039) (146,000) 1,104 (12.219) (10.039) (10.   | 375   |   | 48,106   |   |                        |                  |            |                  | 803       |                  |  | 48,90                 |
| 116.866 116.866 116.866 12.34145 122.510 33.447 33.447 33.447 373.237 (178) 373.237 (178) 373.237 (178) 373.244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,55\$  **Tale of the content of the co   | 380   | •                                       | 1,551,533  | 300,000   |                        | 75,870           |            |                  | •         |                  | •  | 1,927,40              |
| 244,146 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 1,704  122,510  33,497  361  25,027  373,237  (178)  4,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,500  8 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,500  8 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,500  8 13,244,186 \$ 280,893 \$ 3,136 \$ 3,136 \$ (2,14) \$ (2   | 381   |   | 16,686   |   |                        |                  |            |                  | •, •      |                  |  | 1889                  |
| 122.510 33.497 3.881 25.027 135.667 135.667 137.237 137.244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13.85 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13.85 \$ (5,661) \$ (214) \$ (10,515) \$ (3,508) \$ 13.85 \$ (5,661) \$ (214) \$ (2  | 382   |   | 116,692  |   |                        | (10.039)         |            | (144)            | , 1       | 1,704            |  | 225,66                |
| 33,497 3,681 25,027 13,667 13,667 702 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (537) 373,237 (178) (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,506) \$ 13,55 \$ (3,506) \$ (3,   | 38    | -                                       | 122,510  |   |                        |                  |            |                  | ,         |                  | ,  | 122,510               |
| 3.497 3.5497 3.5497 3.5497 3.55,027 3.55,027 3.702 3.702 3.702 3.70337) \$\$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ 13.5 \$\$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ 3.3 \$\$ 33.508) \$ 13.5 \$\$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ 3.3 \$\$ 33.508) \$ 13.5 \$\$ 33.508) \$ 13.5   | 90    |   | •  |   |                        |                  | 5.         |                  | •         | 950 077          |  | 47.71                 |
| 25,027<br>293<br>135,667<br>373,237<br>373,237<br>\$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,5<br>\$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13,5<br>\$ 5 3   | 394   |   | 33,497   |   |                        |                  |            |                  | , ,       | (617'71)         |  | 3,68                  |
| 135,667 (537) (537) (537) (178) (537) (178) (537) (178) (10,515) \$ (3,508) \$ 13 (3,508) \$ 13 (3,544,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 (3,508) \$ 14 (3,508) \$ 13 (3,5  | 393   | •                                       | 25,027   |   |                        | (392)            |            |                  | ,         |                  | •  | 24,635                |
| \$73.237 (178) (537) \$73.237 (178) (5.061) \$ (2.14) \$ 7,711 \$ (10,515) \$ 13.244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5.061) \$ 7,711 \$ (10,515) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  | 394   | _                                       | 135,667  |   |                        | 293              |            |                  | •         | ,                | •  | 135,95                |
| \$13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon   | 395   |   | 702  |   | (0)                    | (232)            |            |                  | •         |                  | •  | 373.05                |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon  | 396   |   | 3/3,237  |   | (3/8)                  |                  |            |                  |           |                  | 1 - 1  | 9,00                  |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon  | 3     |   |  |   |                        |                  |            |                  |           |                  |  | •                     |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon  |       | -                                       | •  |   |                        |                  |            |                  |           | • •              |  | •                     |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon  |       |   | •  |   |                        |                  |            |                  |           |                  |  |                       |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,185 \$ (5,661) \$ (214) \$ 7,711 \$ (10,515) \$ (3,508) \$ 13 reciallon  |       |   | •  |   |                        |                  |            |                  |           |                  |  | •                     |
| \$ 13,244,186 \$ 280,893 \$ 3,136 \$ 32,189 \$ (5,001) \$ (214) \$ 1,111 \$ (10,10) \$ (5,000) \$ 13 (10,10) \$ (6,000) \$ 13 (10,10) \$ (6,000) \$ (10,10) \$ (1  |       | Plant Held for Future Use               | 200 110 01   | 000   |                        | 20 106           | (F 664)    |                  | 7 741     | (10.515)         |  | 4 13 548 21           |
| rectation rectation s  |       | TOTALS                                  | 13,244,186   | 280,893   |                        | 34,165           | (199'c)    |                  |           | (a) a'a)         | 9  |                       |
| reclation  | Jins  | ted Accumulated Depreciation            |  |   |                        |                  |            |                  |           |                  | •  | \$ 13,244,186         |
| epreciation  | cea   | ise (decrease) in Accumulated Depre     | dation   |   |                        |                  |            |                  |           |                  | ·  | \$ 304,027            |
| SUPPORTING SCHEDULES<br>B-2, pages 4.1 through 4.8   | diust | tment to Accumulated Depreciation       |  |   |                        |                  |            |                  |           |                  | •  | \$ 304,027            |
| UPPORTING SCHEDULES 2, pages 4.1 through 4.8   |       |   |  |   |                        |                  |            |                  |           |                  |  |                       |
|  | 리 6.  | PORTING SCHEDULES rages 4.1 through 4.8 |  |   |                        |                  |            | -                |           |                  |  |                       |
|  |       |   |  |   |                        |                  |            |                  |           |                  |  |                       |

### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - A Exhibit Proposed Final Schedule B-2 Page 4.1 Witness: Bourassa

| Line     |                 |  |       |                 |       |               |       |      |                      |
|----------|-----------------|--|-------|-----------------|-------|---------------|-------|------|----------------------|
| No.      |                 |  |       |                 |       | •             |       |      |                      |
| 1        | <u> A/D -Po</u> | st Test Year Plant Retirements   |       |                 |       |               |       |      |                      |
| 2        |                 |  |       |                 |       |               |       |      |                      |
| 3        |                 |  |       |                 |       |               | *     |      |                      |
| 4        | Acct.           | <b>B</b> 1.5 (1)   |       |                 |       |               |       |      |                      |
| 5        | <u>No.</u>      | <u>Description</u>   |       |                 |       | =             |       | _    | <u>Adjustment</u>    |
| 6        | 380             | Treatment & Disposal Equipment   | remo  | ove amount p    | ropos | ed in Direct  |       | \$   | 300,000              |
| 7        | 200             | Transment & Diamond Favirance  |       |                 |       |               |       |      |                      |
| . 8      | 380             | Treatment & Disposal Equipment   | true- | up to actual of | cost  |               |       |      | • .                  |
| 9        | 354             | Characterists & Incompany  |       |                 |       |               |       |      |                      |
| 10<br>11 | 334             | Structures & Improvements  |       |                 |       |               |       |      | (28,089)             |
| 12       | 371             | Bumping Equipment  |       |                 |       |               |       |      | (40.000)             |
| 13       | 3/ 1            | Pumping Equipment  |       |                 |       |               |       |      | (10,368)             |
| 14       |                 | Subtotal   |       |                 |       |               | -     |      | 204 540              |
| 15       |                 | Sublicial  |       |                 |       |               |       | \$   | 261,543              |
| 16       | Half-yes        | ar Depreciation on Post-Test Year Pl   | ant   |                 |       |               |       |      |                      |
| 17       | 11011-405       | a Depreciation on Post-rest real Fi  | GILL  |                 |       |               |       |      | Design to the second |
| 18       | **              | A company of the comp |       |                 |       |               |       |      |                      |
| 19       | Acct.           |  |       |                 |       |               |       |      |                      |
| 20       | No.             | Description  |       | Cost            | Denr  | eciation Rate | Years |      |                      |
| 21       | 354             | Structures & Improvements  | \$    | 1,081,134       | SOPI  | 3.33%         |       | 0 \$ | 18,001               |
| 22       | 371             | Pumping Equipment  | •     | 21,588          |       | 12.50%        | 0.5   |      | 1,349                |
| 23       |                 |  |       | - ",            |       |               |       | •    | 1,040                |
| 24       |                 | Subtotal   |       |                 |       |               |       | \$   | 19,350               |
| 25       |                 |  |       |                 |       |               |       | •    |                      |
| 26       |                 |  |       |                 | 5 7   |               |       |      |                      |
| 27       |                 |  |       |                 |       |               |       |      |                      |
| 28       |                 |  |       |                 |       |               |       |      |                      |
| 29       |                 |  |       |                 |       |               |       |      |                      |
| 30       |                 |  |       |                 |       |               |       |      |                      |
| 31       |                 |  |       |                 |       |               |       |      |                      |
| 32       |                 |  |       |                 |       |               |       |      |                      |
| 33       |                 |  |       |                 |       | 20            | 1.00  |      | w                    |
| 34       |                 |  |       |                 |       |               |       |      |                      |
| 35       |                 |  |       |                 |       |               |       |      |                      |
| 36       |                 |  |       |                 |       |               |       |      |                      |
| 37       |                 |  |       |                 |       |               |       |      |                      |
| 38       |                 |  |       |                 |       |               |       |      |                      |
| 39       |                 |  |       | *               |       | W             |       |      |                      |
| 40       |                 | Not Adicates out   |       |                 |       |               |       |      |                      |
| 41       | No.             | Net Adjustment   |       |                 | . ,   |               |       |      | 280,893              |
| 42       | CLIDDO          | DTIMO COUEDIE E  |       |                 |       |               |       |      |                      |
| 43       |                 | RTING SCHEDULE   | u 17  | * est           |       |               |       |      |                      |
| 44<br>45 | Testimo         | ony .  |       |                 |       | *             |       |      |                      |
| 45       |                 |  |       |                 |       |               |       |      |                      |

### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities

Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - B Exhibit Proposed Final Schedule B-2 Page 4.2 Witness: Bourassa

|                                   | ccrual True-up   | •           |                                     |  |                              |                           |
|-----------------------------------|--|-------------|-------------------------------------|--|------------------------------|---------------------------|
| Acct.<br><u>No.</u><br>354<br>396 | <u>Description</u><br>Structures & Improve<br>Communication Equi | ements<br>p | Orginal <u>Cost</u> 199,000 (3,555) | <u>Depr Rate</u><br>3.33%<br>10.00%  | <u>Years</u><br>0.50<br>0.50 | <u>A/D</u><br>3,31<br>(17 |
|                                   |  |             |                                     |  |                              |                           |
|                                   |  |             |                                     |  |                              |                           |
|                                   |  |             |                                     |  |                              |                           |
| ,                                 |  |             |                                     |  |                              |                           |
|                                   |  |             |                                     |  |                              |                           |
|                                   |  |             |                                     |  |                              |                           |
| N.                                |  |             |                                     |  |                              | ·                         |
|                                   |  |             |                                     |  |                              |                           |
|                                   |  |             | ×                                   | 28 - 123 - 124 - 1 |                              |                           |
|                                   |  |             | Aug 1985                            |  |                              |                           |
|                                   |  |             |                                     |  |                              |                           |
|                                   | djustment  |             |                                     |  | _                            | \$ 3,1                    |

Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - C

Exhibit Proposed Final Schedule B Page 4.3 Witness: Bourassa

| Line            |          |                                |             |                               |       |          |           |    | ang meneral diagrams |
|-----------------|----------|--------------------------------|-------------|-------------------------------|-------|----------|-----------|----|----------------------|
| <u>No.</u><br>1 | Δ/D _ PI | ant Reclassification           |             |                               |       |          |           |    |                      |
| 2               | NO TO    | ant redaggmenter               |             |                               |       |          |           |    |                      |
| 3               |          |                                |             |                               |       |          |           |    |                      |
| 4               | Acct.    |                                |             | Depr                          |       |          | Plant     |    | A/D                  |
| 5               | No.      | Description                    | <u>Year</u> | Rate                          | Years | Δσ       | liustment | Δd | justment             |
| 6               | 354      | Structures & Improvements      | 2009        | 3.33%                         | 3.5   | _        | (465,350) | \$ | (54,237)             |
| 7               | 354      | Structures & Improvements      | 2011        | 3.33%                         | 1.5   | Ψ        | (400,000) | Ψ  | (34,237)             |
| 8               | 354      | Structures & Improvements      | 2012        | 3.33%                         | 0.5   |          | (59.760)  |    | (995)                |
| 9               | Subtota  | •                              | 2012        | 3.3378                        | 0.5   | •        | (525,110) | •  | <del></del>          |
| 10              | 361      | Collection Sewers Gravity      | 2009        | 2.00%                         | 3.5   | <b>P</b> |           | Þ  | (55,232)             |
|                 | 361      | Collection Sewers Gravity      | 2009        | 2.00%                         |       |          | 41,564    |    | 2,910                |
| 11              |          | •                              |             |                               | 1.5   |          | -         |    | -                    |
| 12              | 361      | Collection Sewers Gravity      | 2012        | 2.00%                         | 0.5   | _        | 41,564    |    | - 0.040              |
| 13              | Subtota  |                                | 2000        | 40.000/                       | 0.5   | \$       |           | \$ | 2,910                |
| 14              | 364      | Flow Measuring Devices         | 2009        | 10.00%                        | 3.5   |          | 36,618    |    | 12,816               |
| 15              | 364      | Flow Measuring Devices         | 2011        | 10.00%                        | 1.5   |          | -         |    | •                    |
| 16              | 364      | Flow Measuring Devices         | 2012        | 10.00%                        | 0.5   |          |           | _  |                      |
| 17              | Subtota  | -                              |             |                               |       | \$       | 36,618    | \$ | 12,816               |
| 18              | 371      | Pumping Equipment              | 2009        | 12.50%                        | 3.5   |          | 5,048     |    | 2,208                |
| 19              | 371      | Pumping Equipment              | 2011        | 12.50%                        | 1.5   |          | 6,000     |    | 1,125                |
| 20              | 371      | Pumping Equipment              | 2012        | 12.50%                        | 0.5   |          | 50,622    |    | 3,164                |
| 21              | Subtota  | il .                           |             |                               |       | \$       | 61,670    | \$ | 6,497                |
| 22              | 380      | Treatment & Disposal Equipment | 2009        | 5.00%                         | 3.5   |          | 424,288   |    | 74,250               |
| 23              | 380      | Treatment & Disposal Equipment | 2011        | 5.00%                         | 1.5   |          | 6,156     |    | 462                  |
| 24              | 380      | Treatment & Disposal Equipment | 2012        | 5.00%                         | 0.5   |          | 46,304    |    | 1,158                |
| 25              | Subtota  | al .                           |             |                               |       | \$       | 476,749   | \$ | 75,870               |
| 26              | 389      | Other Sewer Plant & Equipment  | 2009        | 6.67%                         | 3.5   |          | (43,005)  |    | (10,039)             |
| 27              | 389      | Other Sewer Plant & Equipment  | 2011        | 6.67%                         | 1.5   |          | - '       |    |                      |
| 28              | 389      | Other Sewer Plant & Equipment  | 2012        | 6.67%                         | 0.5   |          | •         |    | -                    |
| 29              | Subtota  |                                |             | Commission and the commission | 200   | \$       | (43,005)  | \$ | (10,039)             |
| 30              | 393      | Tools, Shop And Garage Equip   | 2009        | 5.00%                         | 3.5   |          | -         | ·  |                      |
| 31              | 393      | Tools, Shop And Garage Equip   | 2011        | 5.00%                         | 1.5   |          |           |    | · .                  |
| 32              | 393      | Tools, Shop And Garage Equip   | 2012        | 5.00%                         | 0.5   |          | (15.681)  |    | (392)                |
| 33              | Subtota  |                                |             | 0.0070                        | 0.0   | \$       | (15,681)  | \$ | (392)                |
| 34              | 394      | Laboratory Equip               | 2009        | 10.00%                        | 3.5   | •        | 836       | •  | 293                  |
| 35              | 394      | Laboratory Equip               | 2011        | 10.00%                        | 1.5   |          | -         |    | -                    |
| 36              | 394      | Laboratory Equip               | 2012        | 10.00%                        | 0.5   |          | _         |    |                      |
| 37              | Subtota  |                                | 20.2        | 10.0070                       | 0.0   | \$       | 836       | \$ | 293                  |
| 38              | 395      | Power Operated Equipment       | 2009        | 5.00%                         | 3.5   | . Ψ      | -         | •  | -                    |
| 39              | 395      | Power Operated Equipment       | 2011        | 5.00%                         | 1.5   |          | -         |    | •                    |
| 40              | 395      | Power Operated Equipment       | 2012        | 5.00%                         | 0.5   |          | (21,485)  |    | -<br>(E27)           |
|                 |          |                                | 2012        | 5.00%                         | 0.5   | -        |           | •  | (537)                |
| 41              | Subtota  | <b>31</b>                      |             |                               | •     | \$       | (21,485)  | Ф  | (537)                |
| 42              |          |                                |             |                               |       |          |           |    |                      |
| 43              | Nine A - | i ata aat                      |             |                               |       | _        | 40 450    |    | 20.405               |
| 44              | Net Ad   | justment                       |             |                               |       |          | 12,156    | \$ | 32,185               |
| 45              |          |                                |             |                               |       |          |           |    |                      |
| 46              |          | ORTING SCHEDULE                |             |                               |       |          |           |    |                      |
| 47              | Staff Ta | able 6 - Reclassification      |             |                               |       |          |           |    |                      |
|                 |          |                                |             |                               |       |          |           |    |                      |

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Testimony

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - D

Exhibit
Proposed Final Schedule B-2
Page 4.4
Witness: Bourassa

Line No. A/D Plant Not Used and Useful Orginal Acct. No. Description Cost Depr Rate A/D **Years** Land (11,217) 0.00% 3.50 Structures & Improvements (113,329)3.33% (5,661)1.50 Net Adjustment (5,661)SUPPORTING SCHEDULE Staff Adjustment #6

DECISION NO.

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforms Adjustments

Line

Original Cost Rate Base Proforma Adjustments Adjustment Number 2 - E Exhibit Proposed Final Schedule B-2 Page 4.5 Witness: Bourassa

| <u>No.</u><br>1            | A/D Du                | olicate Invoices                                    |             |   |   |                                      |                             |                 |               |
|----------------------------|-----------------------|---|-------------|---|---|--------------------------------------|-----------------------------|-----------------|---------------|
| 2                          |                       |   |             |   |   |                                      |                             |                 |               |
| 4<br>5<br>6<br>7<br>8<br>9 | Acct. No. 353 355 389 | Description Land Power Generation Other Sewer Plant | & Equipment |   | \$<br>Orginal<br><u>Cost</u><br>(3,409)<br>(400)<br>(864) | Depr Rate<br>0.00%<br>5.00%<br>6.67% | <u>Years</u> 2.50 3.50 2.50 | <u>A/</u><br>\$ | (70)<br>(144) |
| 10<br>11                   |                       |   |             |   |   |                                      |                             |                 |               |
| 12<br>13                   |                       |   |             |   |   | e.                                   |                             |                 |               |
| 14<br>15                   | e e                   |   |             |   | •   |                                      |                             |                 |               |
| 16<br>17                   |                       | \$1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -           |             |   |   |                                      |                             |                 |               |
| 18<br>19<br>20             |                       |   |             |   |   |                                      |                             |                 |               |
| 21<br>22                   |                       |   |             | ~ |   | over the Land                        |                             |                 |               |
| 23<br>24<br>25             |                       |   |             |   |   |                                      | •                           |                 |               |
| 26<br>27                   |                       |   |             |   |   |                                      |                             |                 |               |
| 28<br>29<br>30             |                       |   |             |   |   |                                      |                             |                 |               |
| 31<br>32                   |                       |   |             |   | •   |                                      |                             |                 |               |
| 33<br>34<br>35             |                       |   |             |   |   |                                      |                             |                 |               |
| 36<br>37<br>38             |                       |   |             |   |   |                                      |                             |                 |               |
| 39<br>40<br>41             | Net Adj               | ustment   |             |   |   |                                      |                             | \$              | (214)         |
| 42<br>43                   | SUPPO                 | RTING SCHEDULE                                      | į           |   |   |                                      |                             |                 |               |
| 44<br>45                   | Staff Ad              | ljustment #7  |             |   |   |                                      |                             |                 |               |

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 2 - F

Exhibit Proposed Final Schedule B-2 Page 4.6 Witness: Bourassa

| Line |            | **   |   |       |   |                                       |
|------|------------|--|---|-------|---|---------------------------------------|
| No.  |            |  |   |       |   |                                       |
| 1    | Accumi     | lated Depreciation - Plant Additions   | in Wrong Years                          |       |   |                                       |
| 2    |            |  |   |       |   |                                       |
| 3    | * *        |  |   |       |   |                                       |
| 4    | Acct.      |  |   | •     |   | Depreciation                          |
| 5    | No.        | Description  |   |       |   | Correction                            |
| 6    | 351        | Organization   |   |       | * | \$ -                                  |
| 7    | 352        | Franchise  |   |       |   | •                                     |
| . 8  | 353        | Land   |   | . 2.4 |   | _                                     |
| 9    | 354        | Structures & Improvements  | •                                       |       |   | 6,478                                 |
| 10   | 355        | Power Generation   |   |       |   | 0,410                                 |
| 11   | 360        | Collection Sewer Forced  |   |       |   | · -                                   |
| 12   | 361        | Collection Sewers Gravity  |   |       |   | 407                                   |
| 13   | 362        | Special Collecting Structures  |   |       |   | 407                                   |
| 14   | 363        | Customer Services  |   |       |   | •                                     |
| 15   | 364        | Flow Measuring Devices   |   |       |   |                                       |
| 16   | 366        | Reuse Services   |   |       |   | 23                                    |
| 17   | 367        | Reuse Meters And Installation  |   |       |   | . 23                                  |
| 18   | 370        | Receiving Wells  |   |       |   | -                                     |
| 19   | 370        | Pumping Equipment  |   |       |   | -                                     |
|      | 374        | Reuse Distribution Reservoirs  |   |       |   | •                                     |
| 20   | 375        | Reuse Trans, and Dist. System  |   |       |   | 803                                   |
| 21   | 380        | Treatment & Disposal Equipment   |   |       | • | 600                                   |
| 22   |            |  |   |       |   | •                                     |
| 23   | 381<br>382 | Plant Sewers   |   |       |   | -                                     |
| 24   |            | Outfall Sewer Lines  |   |       |   | •                                     |
| 25   | 389        | Other Sewer Plant & Equipment  |   |       |   | • • • • • • • • • • • • • • • • • • • |
| 26   | 390        | Office Furniture & Equipment   |   |       |   | •                                     |
| 27   | 390.1      |  |   |       |   | <b>-</b> . *                          |
| 28   | 391        | Transportation Equipment   |   |       |   | •                                     |
| 29   | 392        | Stores Equipment   |   |       |   |                                       |
| 30   | 393        | Tools, Shop And Garage Equip   |   |       |   | ·                                     |
| 31   | 394        | Laboratory Equip   |   |       |   | • • •                                 |
| 32   | 395        | Power Operated Equipment   |   |       |   | in the second second                  |
| 33   | 396        | Communication Equip  |   |       |   | a de to                               |
| 34   | 398        | Other Tangible Plant   |   |       |   | •                                     |
| 35   |            | to the second of |   |       |   |                                       |
| 36   |            |  |   |       |   |                                       |
| 37   |            |  |   |       |   |                                       |
| 38   |            |  | ,                                       |       |   |                                       |
| 39   |            |  | * _ * * * * * * * * * * * * * * * * * * |       |   | · · · · · · · · · · · · · · · · · · · |
| 40   |            | Plant Held for Future Use  |   |       |   |                                       |
| 41   |            | TOTALS   |   |       |   | \$ 7,711                              |
| 42   |            |  |   | •     |   |                                       |
| 43   |            |  |   |       |   |                                       |
| 44   |            | ORTING SCHEDULE  |   |       |   |                                       |
| 45   |            | iges 4.1 through 4.3   |   |       |   |                                       |
| 46   | B-2, pa    | iges 3.6 through 3.10  |   |       |   |                                       |

Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - G

Exhibit Proposed Final Schedule B-2 Page 4.7 Witness: Bourassa

| Line<br><u>No.</u><br>1                                  | Retirem                    | ents A/D                                    |                            |              |                    |                     |         |             |                   |
|--|----------------------------|---|----------------------------|--------------|--------------------|---------------------|---------|-------------|-------------------|
| 2<br>3<br>4<br>5<br>6                                    | Acct.<br><u>No.</u><br>341 | <u>Description</u> Transportation Equipment | Year of Retirement<br>2008 | ٠.           |                    |                     |         |             | stment<br>(7,110) |
| 7<br>8<br>9  | Total                      |   |                            |              |                    |                     |         | \$          | (7,110)           |
| 10<br>11<br>12   | Reclass                    | sifications A/D                             |                            |              | •                  |                     |         |             |                   |
| 13<br>14   | Acct.                      | Description                                 | Year                       | Depr<br>Rate | Years <sup>1</sup> | Pla<br><u>Adjus</u> | tment   | <u>Adiu</u> | VD<br>stment      |
| 15<br>16<br>17   | 341                        | Transportation Equipment                    | 2008                       | 20.00%       | 4.125              | \$                  | (6,193) | \$          | (5,109)           |
| 18<br>19   | Subtota                    | l .   |                            |              |                    | \$                  | (6,193) | \$          | (5,109)           |
| 20<br>21   | 389                        | Other Sewer Plant & Equipment               | 2008                       | 6.67%        | 4.125              | \$                  | 6,193   | \$          | 1,704             |
| 22<br>23<br>24   | Subtota                    | ı   |                            |              |                    | \$                  | 6,193   | \$          | 1,704             |
| 24<br>25<br>26<br>27<br>28<br>29<br>30<br>31<br>32<br>33 | Total                      |   |                            |              |                    |                     |         | \$          | (3,405)           |
| 34<br>35<br>36<br>37                                     | •                          |   |                            |              |                    |                     |         |             |                   |
| 38<br>39<br>40   |                            | Total Adjustment                            |                            |              |                    |                     |         | \$ (        | (10,515)          |
| 41<br>42<br>43<br>44                                     | Schedu<br>Work p           |   |                            |              |                    |                     |         |             |                   |
| 45   | ' Post la                  | ast test year end date                      |                            |              |                    |                     |         |             |                   |

Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - H

Exhibit Proposed Final Schedule B-2 Page 4.8 Witness: Bourassa

| Line |            |                                       |          |             |              |          |     |            |                |   |
|------|------------|---------------------------------------|----------|-------------|--------------|----------|-----|------------|----------------|---|
| No.  |            |                                       |          |             |              |          |     |            |                |   |
| 1    | Reconci    | iliation of A/D to A/D Reconstruction | <u>1</u> |             |              |          |     |            |                |   |
| 2    |            |                                       |          |             |              |          | F   | Rejoinder  | Rejoinder      |   |
| 3    |            |                                       |          | Adjusted    |              |          |     | Adjusted   | Plant          |   |
| 4    | Acct.      |                                       |          | Orginal     | E            | 3-2      |     | Orginal    | Per            |   |
| 5    | <u>No.</u> | Description                           |          | <u>Cost</u> | <u>Adjus</u> | tments   |     | Cost       | Reconstruction | <u>Difference</u>   |
| 6    | 351        | Organization                          | \$       | -           | \$           | -        | \$  | -          | \$ -           | \$ -  |
| 7    | 352        | Franchise                             |          | -           |              | _        |     | -          | •              | , · · -   |
| 8    | 353        | Land                                  |          | . •         |              |          |     | •          |                | <b>-</b> ,-   |
| 9    | 354        | Structures & Improvements             |          | 3,773,984   |              | (61,189) |     | 3,712,796  | 3,712,796      | •   |
| 10   | 355        | Power Generation                      |          | 222,393     |              | (70)     |     | 222,323    | 222,323        | 0   |
| 11   | 360        | Collection Sewer Forced               |          | (109,004)   |              |          |     | (109,004)  | (109,004)      |   |
| 12   | 361        | Collection Sewers Gravity             |          | 5,222,855   |              | 3,317    |     | 5,226,172  | 5,226,172      |   |
| 13   | 362        | Special Collecting Structures         |          | -           |              | _        |     | -          | -              | · · ·   |
| 14   | 363        | Customer Services                     |          | 2,092       | . *          | -        |     | 2,092      | 2,092          | · -   |
| 15   | 364        | Flow Measuring Devices                |          | 38,453      | -            | 12,816   |     | 51,269     | 51,269         |   |
| 16   | 366        | Reuse Services                        |          | 825,859     |              | 23       |     | 825,882    | 825,882        | _   |
| 17   | 367        | Reuse Meters And Installation         |          | 21,945      |              | -        |     | 21,945     | 21,945         |   |
| 18   | 370        | Receiving Wells                       |          | 297,089     |              | -        |     | 297,089    | 297,089        | _   |
| 19   | 371        | Pumping Equipment                     |          | 276,747     |              | (2,521)  |     | 274,226    | 274,226        | -   |
| 20   | 374        | Reuse Distribution Reservoirs         |          | 8,088       |              | -        |     | 8,088      | 8.088          |   |
| 21   | 375        | Reuse Trans. and Dist. System         |          | 48,106      |              | 803      |     | 48,908     | 48,908         | •   |
| 22   | 380        | Treatment & Disposal Equipment        |          | 1,551,533   |              | 375,870  |     | 1,927,403  | 1,927,403      | -   |
| 23   | 381        | Plant Sewers                          |          | 16,686      |              | _        |     | 16,686     | 16,686         |   |
| 24   | 382        | Outfall Sewer Lines                   | •        | 118,892     |              | -        |     | 118,892    | 118,892        | on the September of th |
| 25   | 389        | Other Sewer Plant & Equipment         |          | 234,145     |              | (8,480)  | 400 | 225,666    | 225,666        | _   |
| 26   | 390        | Office Furniture & Equipment          |          | 122,510     |              | -        |     | 122,510    | 122,510        |   |
| 27   | 390.1      | Computers and Software                |          | -           |              | <u>-</u> |     |            |                | _   |
| 28   | 391        | Transportation Equipment              |          | 33,497      |              | (12,219) |     | 21,278     | 17,770         | (3,508)   |
| 29   | 392        | Stores Equipment                      |          | 3,681       |              | -        |     | 3,681      | 3,681          | • • • • • • • • • • • • • • • • • • •   |
| 30   | 393        | Tools, Shop And Garage Equip          |          | 25,027      |              | (392)    |     | 24,635     | 24,635         | -   |
| 31   | 394        | Laboratory Equip                      |          | 135,667     |              | 293      |     | 135,959    | 135,959        | 100   |
| 32   | 395        | Power Operated Equipment              |          | 702         |              | (537)    |     | 165        | 165            |   |
| 33   | 396        | Communication Equip                   |          | 373,237     |              | (178)    |     | 373,059    | 373,059        | _   |
| 34   | 398        | Other Tangible Plant                  |          | •           |              | ~ ·      |     |            | · <u>-</u>     | -   |
| 35   |            |                                       |          |             |              |          |     |            | e e e          |   |
| 36   |            |                                       |          |             |              |          |     |            |                |   |
| 37   |            |                                       |          |             |              |          |     |            | •              |   |
| 38   |            |                                       |          |             |              |          |     |            |                |   |
| 39   |            |                                       |          |             |              |          |     |            |                |   |
| 40   |            | Plant Held for Future Use             |          |             |              |          |     |            |                | _   |
| 41   |            | TOTALS                                | \$       | 13,244,186  | \$           | 307,535  | \$  | 13,551,721 | \$ 13,548,214  | \$ (3,508)  |
| 42   |            |                                       | •        |             |              | ,        | •   |            |                | (2,230)   |
| 43   |            |                                       |          |             |              |          |     |            |                |   |
| 44   | SUPPO      | RTING SCHEDULE                        |          |             |              |          |     | *          |                |   |
| • •  |            |                                       |          |             |              |          |     |            |                |   |

B-2, pages 4.1 through 4.7 B-2, pages 3.9 through 3.13

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2 - H

Exhibit Proposed Final Schedule 8-2 Page 4.9 Witness: Bourassa

| Half-ye           |   |  |                   |                          |       |     |  |     |
|-------------------|---|--|-------------------|--------------------------|-------|-----|--|-----|
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   | 1 W.                     |       |     |  |     |
| Acct.             | D   |  | 0                 | D D. (                   | .,    |     |  |     |
| <u>No.</u><br>354 | <u>Description</u><br>Structures & Improvements | \$   | Cost<br>1,081,134 | Depreciation Rate 3.33%  | Years | .50 | <u>Adjust</u>                          |     |
| 371               | Pumping Equipment                               | <b>a</b>   | 21,588            | 12.50%                   |       | .50 | 16                                     | 8,6 |
| 3/1               | rumping Equipment                               |  | 21,300            | 12.50 /6                 | U     | .50 |  | 1,  |
|                   |   |  |                   |                          |       |     |  |     |
|                   | •   |  |                   |                          |       | -   |  |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   | *                        |       |     | gradu gradu                            |     |
|                   |   |  |                   |                          | -     | *   |  |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   |                          |       |     | The state of the state of the state of |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   |                          |       |     |  |     |
| . •               |   |  |                   |                          |       |     |  |     |
| . •               |   | , The second sec |                   |                          |       |     |  |     |
| i e               |   |  |                   | . 0<br>. 0<br>. 0<br>. 0 |       |     |  |     |
|                   |   |  |                   |                          |       |     |  |     |
|                   |   |  |                   |                          |       |     |  |     |
| T-4-1             |   |  |                   |                          |       |     |  |     |
| Total             |   |  |                   |                          |       |     | \$ 1                                   | 19, |
| Total             |   |  |                   |                          |       |     | \$ 1!                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 1!                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 11                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 1!                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 1!                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 11                                  | 19, |
| Total             |   |  |                   |                          |       |     | \$ 1                                   | 19, |
| Total             |   |  |                   |                          |       |     | <b>\$</b> 1!                           | 19, |
| Total             |   |  |                   |                          |       |     | <u>\$ 1!</u>                           | 19, |
| Total             |   |  |                   |                          |       |     | <u>\$ 1!</u>                           | 19, |
| Total             |   |  |                   |                          |       |     | <u>\$ 1</u> !                          | 19, |
| Total             |   |  |                   |                          |       |     | <u>\$ 1</u> !                          | 19, |
| Total             | Total Adjustment                                |  |                   |                          |       |     |  |     |
| Total             | Total Adjustment                                |  |                   |                          |       |     |  |     |
|                   | Total Adjustment                                |  |                   |                          |       |     |  | 19, |

#### Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities

Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Proposed Final Schedule B-2
Page 5
Witness: Bourassa

#### Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

|          |  | <br>     |            |           |   |
|----------|--|----------|------------|-----------|---|
| Line     |  |          |            |           |   |
| No.      |  |          |            |           |   |
| 1        |  |          |            |           |   |
| 2        |  |          |            |           |   |
| 3        |  |          | Gross      | Acc       | umulated                                |
| 4        |  |          | CIAC       |           | ortization                              |
| 5        | Computed balance at 12/31/2012   | \$       | 28,376,915 | \$        | 4,153,301                               |
| 6        |  |          |            | •         | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| 7        | Adjusted balance at 12/31/2012   | \$       | 28,470,485 | \$        | 4,446,775                               |
| 8        |  |          |            |           |   |
| 9        | Increase (decrease)  | \$       | (93,570)   | \$        | (293,475)                               |
| 10       |  |          |            |           | •                                       |
| 11       |  |          |            |           |   |
| 12 "     | Adjustment to CIAC/AA CIAC   | _\$      | (93,570)   | <u>\$</u> | 293,475                                 |
| 13       | Label  |          | 3a         |           | 3b                                      |
| 14       | And the second of the second o |          |            |           |   |
| 15       |  |          |            |           |   |
| 16       |  |          |            |           |   |
| 17       |  |          |            |           |   |
| 18<br>19 | SUPPORTING SCHEDULES   |          |            | 100       |   |
| 20       | E-1  | s in the |            |           |   |
| 21       | B-2, page 5.1 - 5.3  |          |            |           |   |
| 22       | D-2, page 3.1 - 3.3  |          |            | ,         |   |
| 23       |  |          |            |           |   |
| 24       |  |          |            |           |   |
| 25       |  |          |            | *         |   |

Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities
Test Year Ended December 31, 2012
Original Cost Rate Base Proforma Adjustments
Contributions-in-aid of Construction and Amortization
Adjustment 3

Exhibit Proposed Final Schedule B-2 Page 5.1 Witness: Bourassa

| Depr'n Re<br>Collection Sewers Contributed 2.00% | Depr'n Rate<br>2.00% | GL Account<br>8600.2.0200.10.1615.0026 | <u>9/30/2008</u><br>17,134,023 | 2008<br><u>Activity</u><br>706,018 | Balance at<br>12/31/2008<br>17,840,041 | 2009<br><u>Activity</u><br>2,870,602 | Balance at<br><u>12/31/2009</u><br>20,710,643 |
|--|----------------------|--|--------------------------------|------------------------------------|--|--------------------------------------|---|
| Amortization<br>Accum Amort.                     |                      | 8600.2.0000.10.1641.0100               | 1,576,589                      | 87,435<br>87,435                   | 1,664,024                              | 385,507<br>385,507                   | 2,049,531                                     |
| Services Contributed                             | 2.00%                | 8600.2.0200.10.1615.0016               | 1,509,762                      | 140,400                            | 1,650,162                              | 698,724                              | 2,348,886                                     |
| Amortization<br>Accum Amort.                     |                      | 8600.2.0000.10.1641.0100               | 495,529                        | 7,900                              | 503,429                                | 39,990                               | 543,419                                       |
| Total CIAC Sewer                                 | wan                  |  | 18,643,786                     |                                    | 19,490,203                             | 1                                    | 23,059,529                                    |
| Total Accum Amort.                               |                      |  | 2,072,117                      |                                    | 2,167,452                              |                                      | 2,592,950                                     |

 $\begin{array}{c} L L ne \\ \hline No. \\ \hline 1.0  

| hedule B-2  | Balance at<br>12/31/2011<br>25,745,608             | 2,949,887                    | 2,399,506                  | 638,193                      | 28,145,114       | 3,588,080          |
|---|--|------------------------------|----------------------------|------------------------------|------------------|--------------------|
| Exhibit Proposed Final Schedule B-2 Page 5.2 Witness: Bourassa  | 2011<br><u>Activity</u><br>3,955,923               | 475,353<br>475,353           | 34,890                     | 47,640                       | I                | 11                 |
|   | Balance at<br>1 <u>2/31/2010</u><br>21,789,685     | 2,474,534                    | 2,364,516                  | 590,553                      | 24,154,201       | 3,065,087          |
|   | 2010<br><u>Activity</u><br>1,079,042               | 425,003<br>425,003           | 15,630                     | 47,134                       |                  |                    |
| sion - dba Liberty Utilities<br>, 2012<br>(djustments<br>Amortization   | GL Account<br>8600,2.0200.10.1615.0026             | 8600.2.0000.10.1641.0100     | 8600.2.0200.10.1615.0016   | 8600.2.0000.10.1641.0100     |                  |                    |
| Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Contributions-in-aid of Construction and Amortization Adjustment 3 | Depr'n Rate<br>Collection Sewers Contributed 2.00% | Amortization<br>Accum Amort. | Services Contributed 2.00% | Amortization<br>Accum Amort. | Total CIAC Sewer | Total Accum Amort. |
| -   |  |                              |                            |                              |                  |                    |

Exhibit
Proposed Final Schedule B-2
Page 5.3
Witness: Bourassa

| est   |                                   | - 26   |   |              |
|---|-----------------------------------|--|---|--------------|
| Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities | Test Year Ended December 31, 2012 | Original Cost Rate Base Proforma Adjustments | Contributions-in-aid of Construction and Amortization | Adjustment 3 |

| Depr'n Rate<br>Collection Sewers Contributed 2.00% | te <u>GL Account</u><br>8600.2.0200.10.1615.0026 | 2012<br>Activity | Balance at<br><u>12/31/2012</u><br>25,745,608 |
|--|--|------------------|---|
| Amortization<br>Accum Amort.                       | 8600.2.0000.10.1641.0100                         | 514,912          | 3,464,799                                     |
| Services Contributed 2.00%                         | 8600.2.0200.10.1615.0016                         | 231,801          | 2,631,307                                     |
| Amortization<br>Accum Amort.                       | 8600.2.0000.10.1641.0100                         | 50,308<br>50,308 | 688,501                                       |
| Total CIAC Sewer                                   |  |                  | 28,376,915                                    |
| Total Accum Amort.                                 |  |                  | 4,153,301                                     |

|                |  |            | <b>.</b>  | itchfield Pa  | irk Service (<br>Tes<br>Original | e Company - Wastewater Division - lest Year Ended December 31, 2012 nal Cost Rate Base Proforma Adjustmant 4 Adjustment 4 | Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment 4 | Liberty Utilitie         | •              |                                      | Exhibit<br>Proposed Final Schedule B-2<br>Page 6.0<br>Witness: Bourassa | Schedule B-2<br>ssa                       |  |
|----------------|--|------------|---|---------------|----------------------------------|---|---|--------------------------|----------------|--------------------------------------|---|---|--|
|                | Deferred Incon                         | me T       | Deferred Income Tax as of February 29, 2012                               | uy 29, 2012   | _ 1                              |   |   |                          |                |                                      |   |   |  |
|                | Dlant in Canára                        | 9          | Water & Sewer<br>Adjusted<br>Book Value                                   | Water<br>Tax  | Water & Sewer<br>Tax Value       | Probability of Realization of Future Tax Benefit  | Deductible TD<br>(Taxable TD)<br>Expected to<br>be Realized   | Effective<br>Tax<br>Rate | Future         | Future Tax Asset<br>rent Non Current | Future   Current  | Future Tax Liability<br>rrent Non Current |  |
| Fed            | Accum. Deprec.<br>CIAC<br>Fixed Assets | •          | (32,475,811)<br>(59,777,267)<br>\$ 69,787,771                             | <del>•</del>  | 47,372,348                       | 100.0%  | \$ (22,415,423)   | 31.79%                   |                | •                                    |   | (7,125,863)                               |  |
| State          | Fixed Assets                           |            | \$ 69,787,771   |               | \$ 74,030,636 2                  | 100.0%  | \$ 4,242,865  | 6.500%                   |                | 275,786                              | ω   | ,   |  |
| d & State AIAC | AIAC                                   |            |   | 4             | 14,120,317 4                     | 100.0%  | \$ 14,120,317 4   | 38.29%                   |                | \$ 5,406,669                         | 6   |   |  |
|                |  |            |   |               |                                  |   |   |                          | 5              | \$ 5,682,456                         | s 9   | \$ (7,125,863)                            |  |
|                | Net Asset (Liability)                  | oility)    |   |               |                                  |   |   |                          | \$ (1,443,407) |                                      |   |   |  |
|                | Allocation Facto                       | اور<br>- ح | Allocation Factor - Wastewwater-Division (based on rate base before ADIT) | rision (based | on rate base                     | e before ADIT)  |   |                          | 0.4204         |                                      |   |   |  |
|                | Net Asset (Liability) Wastewater       | Sility)    | Wastewater Divi   | Division      |                                  |   |   |                          | \$ (606,843)   |                                      |   |   |  |
|                | Adjusted DIT Asset (Liability)         | sset       | (Liability)   |               |                                  |   |   |                          | \$ (982,318)   |                                      |   |   |  |
|                | Adjustment to DIT                      | H          |   |               |                                  |   |   |                          | \$ (375,475)   |                                      |   |   |  |
|                |  |            |   |               |                                  |   | ,   |                          |                |                                      |   |   |  |
|                |  |            |   |               |                                  |   |   |                          |                |                                      |   |   |  |
|                | Footnotes - See page 7.1               | 090        | 17.1  |               |                                  |   |   |                          |                |                                      |   |   |  |

er Division - dba Liberty Utilities

Exhibit Proposed Final Schedule B-2 Page 6.1 Witness: Bourassa

| Test<br>Original (                                       |   |  | Test Original Co  |
|--|---|--|---|
| Year Ended December Cost Rate Base Proforms Adjustment 4 | Test Year Ended December 31, 20. Original Cost Rate Base Proforma Adjus | Test Yrear Ended December 31, 20 Original Cost Rate Base Proforma Adjus Adjustment 4 | Year Ended December ost Rate Base Proforms Adjustment 4 |
| Year Ende<br>Sost Rate B                                 | Test Year Ende  | Test Year Ende Original Cost Rate B  | Year Ende   |
|  | Tes   | Tes  | ? ⊊ ७   |

† Per adjusted book balances, land not included

| <sup>2</sup> Computation of Net Tax Value December 31, 2012  |    | 5.46-14                         | THE STATE OF THE PERSON OF THE STATE OF THE | 1000                       | A STATE VE |                               |
|--|----|---------------------------------|---|----------------------------|------------|-------------------------------|
| Based on 2012 Tax Depreciation report (December 31, 2012) as amended Unadjusted Cost at December 31, 2012 per federal and state tax depr. report                                     |    | \$ 85,943,311                   |   | 84,887,919                 |            |                               |
| Reconciling Items not on tax report:  Land on Tax and not on included in adjusted plant balance  |    | (1,055,392)                     |   | 6.391.333                  |            |                               |
| r A Accrua on not on tax report Proposed Plant Retirements Direct  |    | (1,712,539)                     |   | (1,712,539)                |            |                               |
| Proposed Plant Retirements Rejoinder Post Test Year plant  |    | (17,555)                        |   | 1,102,722                  |            |                               |
| Post Test Year Plant Retirement<br>Plant Held for Future Use   |    | (38,457)                        |   | (38,457)                   |            |                               |
| Net Unadjusted Cost tax Basis at December 31, 2012   | -1 |                                 | \$ 90,613,423   |                            |            | \$ 90,613,423                 |
| Reductions Basis Reduction 2012 and Prior Years per federal and state tax depr. report Accumulated Depreciation 2012 and prior per federal and state tax depr. report                |    | \$ (25,331,094)<br>(19,678,532) |   | \$ (18,351,338)            |            |                               |
| Proposed Plant Retirements Direct<br>Proposed Plant Retirements Rejoinder<br>Post Test Year retirement   |    | 1,712,539<br>17,555<br>38,457   |   | 17,555<br>17,555<br>38,457 |            |                               |
| Plant Held for Future Use  | -  | •                               |   |                            |            |                               |
| Net Reductions through December 31, 2012 Net tax value of plant-in-service at December 31, 2012  |    |                                 | (43,241,075)<br>\$ 47,372,348   |                            |            | (16,582,787)<br>\$ 74,030,636 |
| <sup>3</sup> CIAC (including impact of change to probability of realization)<br>Gross CIAC per adjusted book balances  |    | 45                              | \$ 35,802,727   |                            |            |                               |
| CIAC reductions additions A.A per adjusted book balances   |    | \$ (5,439,155)                  |   |                            |            |                               |
| Net CIAC before unrealized AIAC  |    |                                 | (5,439,155)<br>\$ 30,363,572  |                            |            |                               |
| Unrealized AIAC Component AIAC per adjusted book balances Adjusted Net AIAC (see footnote 5 below) Unrealized AIAC Component % (1-Realized AIAC Component)                           |    | ₩                               | \$ 42,019,564<br>70.0%<br>\$ 29,413,695   |                            |            |                               |
| Total realizable CIAC  |    |                                 |   |                            |            |                               |
| <br><ul> <li>AIAC (including impact of change in probability of realization)</li> <li>AIAC per adjusted book balances</li> <li>Less: Unrealized AIAC (from Note 3, above)</li> </ul> |    |                                 | \$ 42,019,564<br>\$ (29,413,695)  |                            |            |                               |

Subtotal
Meter and Service Line installation Charges per adjusted book balances
Total realizable AIAC

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments

Adjustment Number 5

Exhibit Proposed Final Schedule B-2 Page 7 Witness: Bourassa

163,774

155,440

8,334

Line No. 1 **Customer Security Deposits** 2 Customer Security Deposits per Staff 5 Adjusted Customer Security Deposits Adjustment to Customer Security Deposits based upon a 13 month average 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33

SUPPORTING SCHEDULE Staff Adjustment #10

74437

DECISION NO.

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Original Cost Rate Base Proforma Adjustments Adjustment Number 6

Exhibit Proposed Final Schedule B-2 Page 8 Witness: Bourassa

| Line |  |             |          |
|------|--|-------------|----------|
| No.  |  | *           |          |
| 1    | Customer Meter Deposits  |             |          |
| 2    |  |             |          |
| 3    | Customer Meter Deposits per RUCO   | \$          | 81,661   |
| 4    |  | •           | 01,001   |
| 5    | Adjusted Customer Meter Deposits   | \$          | 95,892   |
| 6    |  | <del></del> |          |
| .7   | Adjustment to Customer Meter Deposits based upon a 13 month average  | \$          | (14,231) |
| 8    | and the second of the second o |             |          |
| 40   |  |             |          |
| 10   |  |             |          |
| 11   |  |             |          |
| 14   |  |             |          |

SUPPORTING SCHEDULE RUCO Adjustment #5

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Computation of Working Capital

Exhibit Proposed Final Schedule Page 1 Witness: Bourassa

| Line<br><u>No.</u> |  |                    |
|--------------------|--|--------------------|
| 1                  | Cash Working Capital (1/8 of Allowance   |                    |
| 2                  | Operation and Maintenance Expense)   | \$ 777,666         |
| 3                  | Pumping Power (1/24 of Pumping Power)  | 25,068             |
| 4                  | Purchased Water (1/24 of Purchased Water)  | 1,111              |
| 5                  | Prepaid Expenses   | 1,111              |
| 6                  | Topula Expenses  |                    |
| 7                  |  |                    |
| 8                  |  |                    |
| 9.                 | Total Working Capital Allowance  | \$ 803,845         |
| 10                 | Total From Mig Outstand  | <del></del>        |
| 11                 |  |                    |
| 12                 | Working Capital Requested  | \$ -               |
| 13                 |  |                    |
| 14                 |  |                    |
| 15                 |  |                    |
| 16                 |  | Rejoinder          |
| 17                 |  | Adjusted Test Year |
| 18                 | Total Operating Expense  | \$ 8,451,599       |
| 19                 | Less:  |                    |
| 20                 | Income Tax   | \$ 1,033,417       |
| 21                 | Property Tax   | 547,273            |
| 22                 | Depreciation   | 21,291             |
| 23                 | Purchased Water  | 26,656             |
| 24                 | Pumping Power  | 601,635            |
| 25                 | Allowable Expenses   | \$ 6,221,326       |
| 26                 | 1/8 of allowable expenses  | \$ 777,666         |
| 27                 |  |                    |
| 28                 |  |                    |
| 29                 | SUPPORTING SCHEDULES: RECAP SCHE   | DULES:             |
| 30                 | E-1 B-1  |                    |
| 31                 |  |                    |
| 32                 |  |                    |
| 33                 |  |                    |
| 34                 | and the second of the second o |                    |
| 35                 |  |                    |

Exhibit Proposed Final Schedule C-1 Page 1 Witness: Bourassa

| 1    | <u> -</u>  | Adjusted                 |    |                                     | Rejoinder      | Proposed        |      | Adjusted   |
|------|--|--------------------------|----|-------------------------------------|----------------|-----------------|------|------------|
| Line |  | Test Year                |    |                                     | Adjusted       | Rate            |      | with Rate  |
| No.  | _  | Results                  | Ad | <u>liustment</u>                    | <u>Results</u> | <u>Increase</u> |      | Increase   |
| 1    | Revenues   |                          |    |                                     |                |                 |      |            |
| 2    | Metered Water Revenues                           | \$ 9,853,383             | \$ | 1,193 \$                            | 9,854,576      | \$ 341,225      | \$   | 10,195,801 |
| 3    | Unmetered Water Revenues                         | •                        |    |                                     | •              |                 |      | -          |
| 4    | Other Water Revenues                             | 508,220                  |    |                                     | 508,220        |                 |      | 508,220    |
| 5    |  | \$ 10,361,603            | \$ | 1,193 \$                            | 10,362,796     | \$ 341,225      | \$   | 10,704,021 |
| 6    | Operating Expenses                               |                          |    |                                     |                | *               |      | -          |
| 7    | Salaries and Wages                               | \$ 1,168,151             |    | - \$                                | 1,168,151      |                 | \$   | 1,168,151  |
| 8    | Purchased Water                                  | 26,656                   |    | -                                   | 26,656         |                 |      | 26,656     |
| - 9  | Purchased Power                                  | 601,635                  |    | - "                                 | 601,635        |                 |      | 601,635    |
| 10   | Slude Removal Expense                            | 234,893                  |    | 3,423                               | 238,316        |                 |      | 238,316    |
| 11   | Fuel for Power Production                        |                          |    |                                     | -              |                 |      | -          |
| 12   | Chemicals  | 357,986                  |    | -                                   | 357,986        |                 |      | 357,986    |
| 13   | Materials and Supplies                           | 86,994                   |    | -                                   | 86,994         |                 |      | 86,994     |
| 14   | Management Services - US Liberty Water           | 1,469,058                |    | (9,941)                             | 1,459,117      |                 |      | 1,459,117  |
| 15   | Management Services - Corporate                  | 698,951                  |    |                                     | 698,951        |                 |      | 698,951    |
| 16   | Management Services - Other                      |                          |    |                                     | -              |                 |      | -          |
| 17   | Outside Services - Accounting                    | 2,161                    |    | **                                  | 2,161          |                 |      | 2.161      |
| 18   | Outside Services - Engineering                   |                          |    | -                                   |                |                 |      | _,         |
| 19   | Outside Services- Other                          | 222,303                  |    | -                                   | 222,303        |                 |      | 222,303    |
| 20   | Outside Services- Legal                          | 25,746                   |    | -                                   | 25,746         |                 |      | 25,746     |
| 21   | Water Testing                                    | 57,735                   |    | (27,078)                            | 30,657         |                 |      | 30,657     |
| 22   | Rents - Office                                   | 40,007                   |    | (21,57.0)                           | 40,007         |                 |      | 40,007     |
| 23   | Equipment Rental                                 | 3,076                    |    |                                     | 3,076          | •               |      | 3,076      |
| 24   | Transportation Expenses                          | 26,465                   |    | _                                   | 26,465         |                 |      | 26,465     |
| 25   | Insurance - General Liability                    | 57,823                   |    |                                     | 57,823         |                 |      | 57,823     |
| 26   | Insurance - Vehicle                              | 11,506                   | ,  | -                                   | 11,506         | 1               |      | 11,506     |
| 27   | Reg. Comm. Exp Other                             | 14,189                   |    | -                                   |                |                 |      | ,          |
| 28   | Reg. Comm. Exp Other<br>Reg. Comm. Exp Rate Case | 74,200                   |    | -                                   | 14,189         |                 |      | 14,189     |
|      |  | 77,293                   |    | 2.400                               | 74,200         |                 |      | 74,200     |
| 29   | Miscellaneous Expense                            |                          |    | 3,498                               | 80,791         |                 |      | 80,791     |
| 30   | Bad Debt Expense                                 | 45,215                   |    | (23,924)                            | 21,291         |                 |      | 21,291     |
| 31   | Depreciation and Amortization Expense            | 1,598,765                |    | 24,122                              | 1,622,887      |                 |      | 1,622,887  |
| 32   | Taxes Other Than Income                          | -                        |    | (00. 200)                           |                |                 | _    |            |
| 33   | Property Taxes                                   | 576,026                  |    | (28,753)                            | 547,273        | 6,02            |      | 553,295    |
| 34   | Income Tax                                       | 1,013,153                |    | 20,264                              | 1,033,417      | 128,35          | -    | 1,161,767  |
| 35   | Total Operating Expenses                         | \$ 8,489,987             | \$ | (38,388) \$                         |                | \$ 134,37       |      | 8,585,970  |
| 36   | Operating Income                                 | \$ 1,871,6 <del>16</del> | \$ | 39,581                              | 1,911,197      | \$ 206,85       | 4 \$ | 2,118,051  |
| 37   | Other income (Expense)                           |                          |    | the sales and                       |                |                 |      |            |
| 38   | Interest Income                                  | •                        |    | -                                   | -              |                 |      | -          |
| 39   | Other income                                     | -                        |    | -                                   |                |                 |      | -          |
| 40   | Interest Expense                                 | (259,945)                |    | 14,252                              | (245,693)      |                 |      | (245,693)  |
| 41   | Other Expense                                    |                          |    | -                                   | -              |                 |      | -          |
| 42   |  | -                        |    |                                     |                |                 |      | <u> </u>   |
| 43   | Total Other Income (Expense)                     | \$ (259,945)             | \$ | 14,252                              | (245,693)      | \$ -            | \$   | (245,693)  |
| 44   | Net Profit (Loss)                                | \$ 1,611,671             | \$ | 53,833                              | 1,665,504      | \$ 206,85       | 4 \$ | 1,872,358  |
| 45   |  |                          |    | · · · · · · · · · · · · · · · · · · |                |                 |      |            |
| 46   | SUPPORTING SCHEDULES:                            |                          |    |                                     |                | RECAP SCHE      | DUL  | ES:        |
| 47   | C-1, page 2                                      |                          |    |                                     |                | A-1             |      |            |
| 48   | E-2  |                          |    |                                     |                |                 |      |            |

| Page 19   Page   | Miles   Mile  | Minimate Boutestand   1  | Litchfield Park Service Company - WW Division dba Liberty Utilities Tast Year Frided December 31 2012  |                      |              |                   |          |                       |           | Exhibit<br>Proposed Final Schedule C-1<br>Page 2.1 | chedule C-1             |                 |                  |
|--|---|--|--|----------------------|--------------|-------------------|----------|-----------------------|-----------|--|-------------------------|-----------------|------------------|
| Line  | Composition   | Composition  | Statement  |                      |              |                   |          |                       | -         | Vitness: Bouras                                    | 10<br>80                |                 |                  |
| Tright   T   | Trief Year   Trief Year   Microsition   Allocation   Al  | Trief Year   Property   Propert   |  | LABEL>>>>>           | <b>-</b> 1   | MI                | es)      | Corporate             | Sorporate | <u>£</u><br>Interest                               | Z<br>Revenue            | Bad             | <b>GN</b>        |
| \$ 9,863,385 \$ 10,561,600 \$ 5  | \$ 9803.335 \$ 10.501.600 \$ 5  | \$ 9853.35<br>\$ 1 (10.55) (50.0 \$ \$ . \$ . \$ . \$ . \$ . \$ 1,193<br>\$ 10.55) (50.0 \$ . \$ . \$ . \$ . \$ . \$ 1,193<br>\$ 10.55) (50.0 \$ . \$ . \$ . \$ . \$ . \$ 1,193<br>\$ 224,893<br>\$ 227,990<br>\$ 227,900<br>\$ 227,                               |  | Test Year<br>Results | Depreciation | Property<br>Taxes | Water    | Allocation<br>True-up |           | on<br>Customer Dep.                                | Expense<br>Amualization | Debt<br>Expense | Misc.<br>Expense |
| \$ 9,863,363<br>\$ 10,051,003 \$ . \$ . \$ . \$ . \$ . \$ 1,153<br>\$ 1,168,151<br>\$ 2,24,863<br>\$ 2,7,969<br>\$ 6,894,001<br>\$ 2,61,72<br>\$ 1,60,72<br>\$ 2,61,72<br>\$ 3,410<br>\$ 2,61,72<br>\$ 3,410<br>\$ 3,163<br>\$ 3,163 | \$ 1,805,333 \$ 1,805,333 \$ 1,19   | \$ 1,150   \$ 1,15  |  |                      |              |                   |          |                       |           | -  |                         |                 |                  |
| \$ 10,551,003 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ 1,193 \$ . 193 \$ . \$ 1,193 \$ . 193 \$   | \$ 10,551,502 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ 1,193 \$  \$ 1,0,51,502 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$  | \$ 10,551,003 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ 1,193 \$  2,0,51,003 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ 1,193 \$  2,0,1555  224,685  337,989  937,989  937,989  940,007  | Revenues   | \$ 9,853,383         |              |                   |          |                       |           |  |                         |                 |                  |
| \$ 1,050,000 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ .  | \$ 10,501,503 \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   | \$ 1,188.151  \$ 1,188.151  \$ 2,44,802  \$ 2,44,803  \$ 2,410  \$ 2,44,803  \$ 3,410  \$ 4,410  \$ 4,   | ar Revenues  |                      |              |                   |          |                       |           |  |                         |                 |                  |
| \$ 11,031,033 \$ 3,410   | \$ 10,031,023 \$ 3,410  | \$ 10,001,000 \$ 3 40  | vertues  | 508,220              |              |                   |          |                       |           |  | 1.103                   |                 |                  |
| ## 1,186 151  2,0,695  234,893  33,410  10,182  2,141  1,480 054  1,410  2,141  1,40 054  1,10,056  1,11,10,06  1,11,10,066  1,11,10,066  1,11,10,066  1,11,10,066  1,11,10,06   | ## 1,1969 151  2,05656  524,853  3,410  1,05059  36,966  36,966  36,966  1,15079  22,151  1,1516  1,15  | ## 1,186 151  2,5655  501 535  524 853  3,410  153  254 853  3,410  153  254 853  3,410  153  254 853  3,410  153  254 853  3,410  153  254 853  3,410  153  254 853  3,410  153  254 853  254 853  1,555 868 85  1,557 853  1,556 875  1,576 875  |  | \$ 10,361,603        |              |                   | •        |                       | •         |  | 3                       |                 |                  |
| \$ 1,196 151<br>201,635<br>204,635<br>201,635<br>201,635<br>301,986<br>301,986<br>301,986<br>301,986<br>301,986<br>301,986<br>301,098<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000<br>301,000   | # 1.066 131  \$ 1.066 131  2.06 635  Col. (555)  Fig. 2.24 633  Solve 64 64 64 64 64 64 64 64 64 64 64 64 64  | # 1.06(15) 224(85) 224(85) 237(96) 86 994 1489 69 961  237(96) 225.746 1489 699 222.333 222.33   | Đ  |                      |              |                   |          |                       |           |  |                         |                 |                  |
| 234,835  234,835  234,835  3410  153  1569  86.894  146.006  1222.333  17.207  17.207  17.207  17.207  17.207  17.207  17.207  17.207  17.207  17.207  17.207  17.208  17.209  17.2009  17.2009  17.2009  17.2009  17.2009  17.2009  17.2009  17.2009  17.2009  17.200   | 20,0000   20,0  | 234,855 24,855 254,855 254,855 254,855 254,855 254,855 251,185   | ges  | 1,168,151            |              |                   |          |                       |           |  | -                       |                 |                  |
| 24,400   133   134   145   | 24410 13 23 24 15 24 15 24 17 2 22 23 23 24 10 2 22 23 24 12 2 24 15 2 24 12 2  | 234 (10 1535) 234 (10 1535) 234 (10 1535) 235 (14 1535) 23   | ř  | 26,656               |              |                   |          |                       |           |  |                         |                 |                  |
| 224,883 3,796 86,844 1489 G6 87,722 201 1900 fcells 86,844 1489 G6 17,422 11,506 11,50   | 224,863 3,410 13 15 15 15 15 15 15 15 15 15 15 15 15 15   | 234,833 3,410 1359  Best State   | <b>k</b>   | 601,635              |              |                   | !        |                       |           |  | , \$                    |                 |                  |
| 357,999 98 594 98 594 1459 059 157 122,303 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,22,304 17 2,23,304 17 2,23,304 18 2,3024 18 2,3034 18 2,30   | 357,996 86.594 1489.066 1489.067 225,746 225,746 225,746 225,746 3,076 3,076 225,746 3,076  | 357,999 98 594 1489 697 \$ 24,122  The Promise 1013,157  \$ 18419947 \$ 24,122  The Promise 1013,157  \$ 18419947 \$ 24,122  \$ 18419947 \$ 24,122  \$ 18419947 \$ 24,122  \$ 18419947 \$ 24,122  \$ 18419947 \$ 24,122  \$ 28,489 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,584 \$ (1,460) \$ 2,524 \$ (2,344) \$  | Expense  | 234,893              |              |                   | 3,410    |                       |           |  | 2                       |                 |                  |
| 1567 968 357 968 86 34 (7.420) (2.521) 178 2.161 179 222.303 25.746 40.007 3076 31076 31076 31076 31076 31076 31076 31076 31077 3107 3107 3107 3107 3107 3107 310  | 1,459 Geb   357 Fee   358 Geb   357 Fee   358 Geb   357 Fee   358 Geb   35  | 1,500   1,50   | roduction  | -1                   |              |                   |          |                       |           |  |                         |                 |                  |
| ## 1   ## 222   ## 24   ## 222   | ## 1.506   1.5  | #6.584   1,685.06  |  | 357 098              |              |                   |          |                       |           |  |                         |                 |                  |
| The black of the control of the co   | Liberty Water   1,483 GB   1,412   1,814 GB   1,814 G  | The properties   The  |  | 100,00               |              |                   |          |                       |           |  |                         |                 |                  |
| 1.4581 Weller 1.4581 UPD POTATION (1.4501) (1.45   | The beny Waler (1483 by the beny Waler (1742) (1723) (1733 by the beny Waler (  | Liberty Water   Liberty Wate   | sejiddi  | 68,00                |              |                   |          | 1007                  | (A ED4)   |  |                         |                 |                  |
| 22 203 22.735 (27.078) (27.078   | 90 22.303 22.745 10.007 22.303 22.746 27.735 40.007 3.076 3.077 3.076 3.076 3.077 3.076 3.077 3.076 3.077 3.076 3.077 3.077 3.076 3.077 3.  | 90 control 699,861  90 222303  22,161  10,078  3,076  3,076  3,076  3,076  3,076  3,076  3,076  3,076  4,000  7,293  11,506  14,199  14,203  14,203  5,346  1,420] \$ (2,521) \$ (2,5324) \$ (2,534)  | arvices - US Liberty Water   | 1,469,058            |              |                   | -*       | (024,1)               | (170'7)   |  |                         |                 |                  |
| 22/2 303 22/   | 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 22/2 303 23/2 3/2 3/2 3/2 3/2 3/2 3/2 3/2 3/2 3/2   | 222,303 227,445 57,735 67,735 77,735 77,233  | srvices - Corporate  | 698,951              |              |                   |          |                       |           |  |                         |                 |                  |
| 22, 343 22, 344 22, 345 22, 346 3, 7, 75 3, 76 3   | 222 203 22, 736 22, 736 25, 746 26, 465 51, 736 30 76   | 222303 22746 57.736 40.007 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.077 3.078 3.0   | ervices - Other  | à °                  |              |                   |          |                       |           |  |                         |                 |                  |
| 227,303 25,746 57,735 40,007 40,007 3076 26,485 57,823 11,505 14,199 77,293 77,293 11,505 14,199 77,293 11,505 14,199 77,293 11,505 14,199 77,293 11,505 14,120 15,1409 77,293 11,505 14,120 15,1409 77,293 11,505 14,120 15,1409 77,293 11,505 14,120 15,1409 77,293 11,607 15,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 16,1409 77,293 77,203 7   | 222,303 25,746 57,735 40,007 3,076 26,465 57,626 14,189 77,233 11,506 14,189 77,233 45,216 15,096 14,189 77,233 45,216 15,096 14,189 77,233 46,216 15,096 16,17,233 5,346 1,1871,516 1,539,945) 1,1871,516 1,239,945) 1,1871,516 1,239,945) 1,1871,516 1,239,945) 1,1871,516 1,239,945) 1,1871,516 1,241,122) 1,241,122) 1,241,122) 1,241,122) 1,241,123) 1,241,  | 22,203 25,746 5,746 5,746 5,746 11,506 14,109 11,506 11,100 11,506 11,500 11,50   | s - Accounting   | 2,161                |              |                   |          |                       |           |  |                         |                 |                  |
| 22,303 22,303 22,303 22,303 40,007 40,007 3,076 28,465 57,783 11,506 11,506 11,1696 11   | 22,303 25,746 67,735 40,007 3,076 3,  | 22,303 25,746 67,735 40,007 3,076 3,076 5,645 5,645 5,740 77,283 77,283 77,283 7,420 10,3,153 5,346 7,420 7,420 7,   | s - Engineering  | .,                   |              |                   |          |                       |           |  |                         |                 |                  |
| 57.746 57.735 40,007 30.76 28.465 57.823 11,506 11,506 11,506 11,106 11,108 11,   | 57.746 51.735 40,007 3,076 28.465 57.823 11,506 11,109 17,293 11,506 11,109 17,293 11,506 11,109 17,293 11,506 11,109 17,293 11,101 1,506 11,109 17,293 11,101 1,506 11,100 17,293 11,101 1,506 11,100 1,506 11,100 1,506 11,100 1,506 11,100 1,506 11,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1,100 1,506 1  | 25,746 51735 40,077 3,076 28,465 28,465 21,1506 14,190 77,233 11,506 17,230 77,233 11,506 17,230 17,230 17,230 1,501,122 \$ (20,753) \$ (23,569) \$ (7,420) \$ (25,21) \$ (5,346) \$ (1,506) \$ (23,924) \$ (2   | s-Other  | 222,303              |              |                   |          |                       |           |  |                         |                 |                  |
| 57.735 40.775 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.076 3.077 3.077 3.077 3.077 3.077 3.078 3.07   | ## (27.735   1.735   1.735   1.735   1.735   1.306   1.506   1  | 517.35 (27.735)  40,007  3,076  3,076  3,076  41,189  11,506  11,506  11,189   | s- I acai  | 25,746               |              |                   |          |                       |           |  |                         |                 |                  |
| 40,007 3,076 26,465 26,465 27,223 11,506 14,199 17,233 47,215 47,220 17,233 47,215 1,598,765 2,4,122 5,6,066 1,506) 1,506) 1,506) 1,506,763 1,699,945) 1,611,671 \$ (24,122) \$ 23,668 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,532 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  | 40,007 3,076 26,455 26,455 11,506 14,199 77,293 45,216 77,293 45,216 77,293 45,216 77,293 46,216 5,346 77,293 5,6026 77,293 5,1616 5,1611,611 5  | 40,007<br>3076<br>58,465<br>57,823<br>11,506<br>14,189<br>17,205<br>16,346<br>5,346<br>1,506)<br>5,346<br>1,506)<br>5,346<br>1,506)<br>5,346<br>1,100<br>5,346<br>1,100<br>1,509<br>1,601<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,410<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>5,346<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420<br>1,420 | i n  | 57,735               |              |                   | (27,078) |                       |           |  |                         |                 |                  |
| 3,076 26,465 57,823 11,506 14,189 17,230 77,233 45,215 15,930,745 1,013,153 5,146,122 \$ (28,753) \$ (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,606) \$ (23,924) \$ (23,924) \$ (259,945)  \$ (259,945) \$ (24,122) \$ (28,753) \$ (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,492) \$ (23,924) \$ (259,945) \$ (23,924)  | 3,076 26,485 57,833 11,506 14,189 77,293 77,293 77,293 77,293 5,60,026 1,601,1506 1,15  | 26,445 57,823 11,606 14,189 77,283 77,283 77,283 1,611,616 8   |  | 40,007               |              |                   |          |                       |           |  |                         |                 |                  |
| 26.465 11.506 14.169 17.293 11.506 14.189 77.293 11.506 14.189 77.293 45.215 10.13.153 \$ 48.409.997 \$ 24.122 \$ 1.671,616 \$ (24,122) \$ 28,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ 6,346 \$ 2,3924 \$ \$ (259,945) \$ (259,945) \$ (259,945) \$ \$ (   | 26.465 11,506 14,189 17,283 11,506 14,189 17,283 11,506 17,283 11,506 17,283 11,506 17,283 11,506 17,283 11,506 17,283 11,506 17,420 17  | 28.465 11.006 11.109 11   |  | 3076                 |              |                   |          |                       |           | ÷  |                         |                 |                  |
| 57,823<br>11,506<br>14,200<br>77,283<br>74,200<br>77,283<br>1,613,153<br>5,646 5,5346 5,1465 5,5346 5,1465 5,5346 5,1465 5,5346 5,1465 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450 5,5346 5,1450   | 57, 823<br>11, 506<br>14, 189<br>77, 233<br>47, 233<br>47, 233<br>47, 233<br>47, 233<br>47, 233<br>51, 634, 65<br>51, 64, 62<br>51, 64, 64<br>51, 64,   | 57,825<br>11,506<br>14,189<br>77,285<br>45,215<br>5,346 (1,506)<br>77,285<br>46,215<br>5,346 (1,506)<br>(23,924)<br>5,346 (1,506)<br>(23,924)<br>5,346 (1,506)<br>(23,924)<br>5,346 (1,506)<br>(23,924)<br>5,346 (1,506)<br>(23,924)<br>5,346 (1,506)<br>5,346 (1,506)<br>6,346 (1,506)<br>7,420   |  | JE ARE               |              |                   |          |                       |           |  |                         |                 |                  |
| ## 1506   11,506   14,189   14,189   14,189   14,189   17,233   17,233   15,346   1,506   123,924   17,233   1,511,515   1,013,153   1,013   | 11.506 11.506 14.189 17.203 77.203 45.215 24.122 576.026 1.013.153 \$ 1.013.153   | 11,506 11,507 11,506 11,507 11,506 11,507 11,508 11,507 11,508 11   | Application of the second of t | 57,823               |              |                   |          |                       |           |  |                         |                 |                  |
| ## 1,1900  14,189  74,200  74,200  77,203  45,245  77,203  45,245  77,203  77,   | ### 1,100   14,189   17,283   17,283   17,283   17,283   17,283   1,584   1,506   1,50  | 14,190 74,200 77,233 77,233 77,233 77,233 77,233 77,233 77,233 76,016 76,026 76   | eral Liability   | 21,023               |              |                   |          |                       |           |  |                         |                 |                  |
| 14,189 14,200 77,293 77,293 77,293 15,915 15,915 1013,152 1013,152 1,011,1516 1,013,152 1,013,153 1,013,15   | 14,189 14,189 17,293 17,293 1,590,765 1,013,12  | 14,189 14,200 77,293 74,200 77,293 45,215 15,6026 7,293 1,013,153 1,017,1616 \$ (24,122) \$ (28,753) \$ (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,506) \$ (23,924) \$ (1,616) \$ (26,945) \$ (26,946) \$ (26,9   | 90   | 006'11               |              |                   |          |                       |           |  |                         |                 |                  |
| 74,200<br>77,233<br>46,215<br>1,611,671 \$ (24,122) \$ (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,506) \$ (23,924) \$ (23,924) \$ (25,924) \$ (23,924) \$ (25,924) \$ (23,924) \$ (23,924) \$ (25,924) \$ (23,924) \$ (25,924) \$ (23,924) \$ (25   | ### 174,200  77,293  45,215  1,598,765  24,122  6,6026  1,508,763)  1,013,153  | ### 17,200  77,200  47,203  45,215  1,598,765  24,122  1,013,153  \$ 8,489,987 \$ 24,122  \$ 1,013,153  \$ 1,013,153  \$ 1,013,153  \$ 1,013,153  \$ 2,689 \$ 7,420 \$ 2,521 \$ 5,346 \$ (1,506) \$ (23,924) \$ (23,924) \$ (1,929) \$ (23,924) \$ (1,929) \$ (23,924) \$ (1,929) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (23,924) \$ (24,122) \$ 28,753 \$ 23,689 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$ (23,924) \$   | p Other  | 14,189               |              |                   |          |                       | - %       |  |                         |                 |                  |
| 77.283 445.215 77.283 445.215 77.284 75.346 75.346 75.346 75.324 75.346   | 77.283 445.215 77.283 445.215 77.284 71.286 7.4201 8  | 77.283 45.215 46.215 77.284 (1,506) (23,924) 45.215 (26,753) (26,753) (26,753) (26,753) (26,753) (26,945) (26,753) (26,945) (26,753) (26,945) (26,753) (26,945) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,945) (26,122) (26,1   | p Rate Case  | 74,200               |              |                   |          |                       |           |  |                         |                 | •                |
| 45,215     46,215     (23,924)       nn Expense     1,588,765     24,122     (28,753)     (23,669)     \$ (7,420)     \$ (2,521)     \$ (3,46)     \$ (1,495)     \$ (23,924)       \$ 1,013,153     24,122     \$ (28,753)     \$ (23,669)     \$ (7,420)     \$ (2,521)     \$ (5,346)     \$ (1,495)     \$ (23,924)       \$ 1,871,616     \$ (24,122)     \$ 28,753     \$ 23,669     \$ 7,420     \$ 2,521     \$ (5,346)     \$ 2,686     \$ 23,924       \$ (259,945)     \$ (25,12)     \$ (24,122)     \$ 28,753     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (24,122)     \$ (23,924)     \$ (25,13)     \$ (25,146)     \$   | 45,215 1,586,765 24,122 5,6026 (28,753) 5,1871,616 5,124,122  5,1871,617 5,125,13 5,1871,617 5,125,13 5,1871,617 5,125,13 5,125,1  | 45,215 1,580,765 24,122 (28,753) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (28,945) (38,753) (38,75   | xpense   | 77,293               |              |                   |          |                       |           | 5,346  | (1,506)                 |                 | (342)            |
| 576,026<br>576,026<br>1,013,153<br>5 1,871,616 \$ (24,122) \$ (23,629) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,492) \$ (23,924) \$<br>5 1,871,616 \$ (24,122) \$ 29,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$<br>(259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>6 (259,945)<br>7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>5 (259,945)<br>6 (259,945)<br>7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$  | 576,026 (28,753) (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,493) \$ (23,924) \$ 5 (1,493) \$ (23,924) \$ (23,924) \$ 5 (1,493) \$ (23,924   | ## 1,599,765   | 90   | 45,215               |              |                   |          |                       |           |  |                         | (23,924)        |                  |
| 576,026       (28,753)       (28,753)       (23,669)       \$ (7,420)       \$ (2,521)       \$ 5,346       \$ (1,493)       \$ (23,924)       \$         \$ 1,871,616       \$ (24,122)       \$ 28,753       \$ 23,669       \$ 7,420       \$ 2,521       \$ (5,346)       \$ 2,686       \$ 23,924       \$         \$ (259,945)       \$ (259,945)       \$ 23,669       \$ 7,420       \$ 2,521       \$ (5,346)       \$ 2,686       \$ 23,924       \$         \$ (269,945)       \$ (24,122)       \$ 28,753       \$ 23,669       \$ 7,420       \$ 2,521       \$ (5,346)       \$ 2,686       \$ 23,924       \$   | 576,026       (28,753)       (28,753)       (23,669)       \$ (7,420)       \$ (2,521)       \$ 5,346       \$ (1,499)       \$ (23,924)       \$         \$ 1,871,616       \$ (24,122)       \$ 28,753       \$ 23,669       \$ 7,420       \$ 2,521       \$ (5,346)       \$ 2,686       \$ 23,924       \$         \$ (289,945)       \$ (289,945)       \$ (289,945)       \$ 28,753       \$ 23,669       \$ 7,420       \$ 2,521       \$ (5,346)       \$ 2,596       \$ 23,924       \$   | 576,026     (28,753)     (23,669)     \$ (7,420)     \$ (2,521)     \$ 5,346     \$ (1,493)     \$ (23,924)     \$       \$ 1,671,616     \$ (24,122)     \$ 28,753     \$ 23,669     \$ 7,420     \$ 2,521     \$ (5,346)     \$ 2,686     \$ 23,924     \$       \$ (259,945)     \$ (259,945)     \$ 3,669     \$ 7,420     \$ 2,521     \$ (5,346)     \$ 2,686     \$ 23,924     \$       \$ (259,945)     \$ 3,85     \$ 3,85     \$ 3,85     \$ 3,924     \$ 3,924     \$ 3,924     \$  | Amortization Expense   | 1.598.765            | 24,122       |                   |          |                       |           |  |                         |                 |                  |
| 676,026 1,013,153 1,013,15   | 576,026     (28,753)       1,013,153     (28,626)       5,167,153     (28,753)       6,1489,153     (28,753)       7,420     (2521)       5,346     (23,626)       6,346     (23,626)       7,420     (2521)       6,346     (23,924)       7,420     (2521)       6,346)     (23,924)       7,420     (2521)       8     (269,945)       1,611,671     (24,122)       8     (24,122)       1,611,671     (24,122)   | 576,026     (28,753)       1,013,153     (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,489) \$ (23,824) \$       \$ 8,489,987 \$ 24,122 \$ (28,753) \$ 23,689 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$       \$ 1,871,616 \$ (24,122) \$ 28,753 \$ 23,689 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$       \$ (289,945)       \$ (289,945)       \$ (289,945)       \$ (289,945)       \$ (281,57) \$ 28,753 \$ 23,689 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$  | n Income   |                      | !            |                   |          |                       |           |  |                         |                 |                  |
| \$ 1,013,153   | \$ 1,013,153  | \$ 1,071,153 \$ 24,122 \$ (26,753) \$ (23,669) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,493) \$ (23,924) \$ \$ 1,671,616 \$ (24,122) \$ 29,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$ \$ (259,945) \$ (259,945) \$ \$ (259,945) \$ \$ (259,945) \$ \$ \$ (26,122) \$ 26,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,696 \$ 23,924 \$ \$ \$ (1,671 \$ (24,122) \$ 26,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,696 \$ 23,924 \$ \$ \$ (5,346) \$ 2,596 \$ 23,924 \$ \$ \$ (24,122) \$ 26,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,596 \$ 23,924 \$ \$ \$ (24,122) \$ 26,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,596 \$ 23,924 \$ \$ \$ (24,122) \$ 26,753 \$ 23,669 \$ 2,521 \$ (5,346) \$ 2,596 \$ 23,924 \$ \$ \$ (24,122) \$ 26,753 \$ 23,924 \$ \$ (24,122) \$ 25,754 \$ (24,1   |  | 200 000              |              | 100 7531          |          |                       |           |  |                         |                 |                  |
| \$ 8,000,000,000,000,000,000,000,000,000,0   | \$ 1,013,153<br>\$ 1,013,153<br>\$ 1,871,616 \$ (24,122) \$ 29,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$<br>\$ (259,945)<br>\$ (5,346) \$ 2,686 \$ 23,924 \$   | \$ 1,013,153 \$ 24,122 \$ (28,753) \$ (23,659) \$ (7,420) \$ (2,521) \$ 5,346 \$ (1,493) \$ (23,924 \$ 1,871,616 \$ (24,122) \$ 28,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$ (269,945) \$ (269,945) \$ \$ \$ (269,945) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$   |  | 070,070              |              | (20,02)           |          |                       |           |  |                         |                 |                  |
| \$ 8.489.887 \$ 24,122 \$ (28,753) \$ (23,556) \$ (7,420) \$ (2,521) \$ 5,346 \$ (5,346) \$ (2,527) \$ (2,527) \$ (2,527) \$ (2,527) \$ (2,527) \$ (2,546) \$ (2,  | \$ 8.489.887 \$ 24,122 \$ (28,173) \$ (23,050) \$ (7,420) \$ (2,321) \$ 0,340 \$ (1,132) \$ (2,327) \$ (25,327) \$ (259,945) \$ (259,945) \$ (259,945) \$ (259,945) \$ (259,945) \$ (27,327) \$ (   | \$ 8.489.887 \$ 24,122 \$ (28,173) \$ (23,135) \$ (7,420) \$ (2,321) \$ (3,345) \$ (2,327) \$ (23,924) \$ (25,945) \$ (25,945) \$ (26  |  |                      | I            | 1000              | 1000     | ľ                     | 1702 07   |  | 14 4005                 | 125 574         |                  |
| \$ 1,871,616 \$ (24,122) \$ 28,753 \$ 23,056 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,052 \$ 2,524 \$ (259,945)  \$ (259,945)  \$ (259,945)  \$ 1,611,671 \$ (24,122) \$ 28,753 \$ 23,668 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,054 \$ \$ (5,346) \$ 2,054 \$   | \$ 1,871,616 \$ (24,122) \$ 28,753 \$ 23,056 \$ 7,420 \$ 2,521 \$ (5,349) \$ 2,050 \$ 25,521 \$ (259,945)  \$ (259,945) \$ \$ 2,550 \$ 2,550 \$ 2,551 \$ (5,346) \$ 2,586 \$ 23,924 \$ \$ (5,1167) \$ (24,122) \$ 2,924 \$ 2,550 \$ 2,550 \$ 2,550 \$ 2,550 \$ \$ 2,550 | \$ 1,871,616 \$ (24,122) \$ 28,753 \$ 23,056 \$ 7,420 \$ 2,521 \$ (5,546) \$ 2,521 \$ (5,546) \$ 23,924 \$ \$ \$ (5,546) \$ 2,521 \$ (5,546) \$ 23,924 \$ \$ \$ (5,546) \$ 2,521 \$ (5,546) \$ 23,924 \$ \$ \$ (5,546) \$ 2,521 \$ (5,546) \$  | penses   |                      | 1            | (28,753)          | (23,668) | ٔ ا                   | (227)     |  | 2000                    | 23,824)         |                  |
| (259,945)<br>\$ (259,945) \$ \$ 53,924 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,592 \$ 5  | \$ (259,945)<br>\$ (259,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$  | (259,945) \$ (269,945) \$ (269,945) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$   |  |                      | \$ (24,122)  | 28,753            |          | 024'/                 | 170'7     |  | 7,000,7                 | + +7E'C7        | *5               |
| (259,945)  | (259,945)   | (259,945) \$ (259,945) \$ 28,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$  | ense)  |                      |              |                   |          |                       |           |  |                         |                 |                  |
| (259,945) \$ (226,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   | \$ (259,945)<br>\$ (259,945) \$ \$ 28,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,3924 \$<br>\$ 1(611,671 \$ (24,122) \$ 26,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,3924 \$   | \$ (259,945)<br>\$ (259,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  | •                    |              |                   |          |                       |           |  |                         |                 |                  |
| (259,945) \$ (259,945) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$  | (259,945) \$ (259,945) \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$   | (259,945) \$ (260,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  | •                    |              |                   |          |                       |           |  |                         |                 |                  |
| \$ (259,945) \$ \$ 5 \$ 5 \$ 5 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$   | \$ (2569-45) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$  | \$ (259,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  | (259.945)            |              |                   |          |                       |           |  |                         |                 |                  |
| \$ (2569-45) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   | \$ (259,945) \$ . \$ . \$ . 25,753 \$ . 7,420 \$ . 2,521 \$ (5,346) \$ . 2,506 \$ . 23,924 \$   | \$ (259 945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  | (ninina)             |              |                   |          |                       |           |  |                         |                 |                  |
| \$ (259 945) \$ 29,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,506 \$ 23,924 \$  | \$ (259 945) \$ 29,753 \$ 23,669 \$ 7,420 \$ 2,521 \$ (5,345) \$ 2,696 \$ 23,924 \$   | \$ (259,945) \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$ . \$   |  | •                    |              |                   |          |                       |           |  |                         |                 |                  |
| \$ 1,611,671 \$ (24,122) \$ 28,753 \$ 23,668 \$ 7,420 \$ 2,521 \$ (5,345) \$ 2,666 \$ 23,924 \$  | \$ (611,671 \$ (24,122) \$ 28,753 \$ 23,668 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,696 \$ 23,924 \$  | \$ (2346) \$ (24,122) \$ 28,753 \$ 23,668 \$ 7,420 \$ 2,521 \$ (5,346) \$ 2,686 \$ 23,924 \$   |  | 1250 04E1            |              |                   |          |                       |           |  | •                       |                 |                  |
|  |   |  | (Expense)  | 1 644 671            |              | 28 753            |          |                       | 2.521     |  | 1                       | 23,924          |                  |
| CHEDILES   | ICHEDULES:  | KCHEDULES  |  |                      |              |                   |          |                       | ı         | ١  |                         |                 |                  |
| INTERIOR STATE OF THE PROPERTY   | INTEROLES.  | INTEROLES.   |  |                      |              |                   |          |                       |           |  |                         |                 |                  |
|  |   |  | CULTUTE OF THE OF  |                      |              |                   |          |                       |           |  |                         |                 |                  |

74437

DECISION NO.

|          | Litchfield Park Service Company - WW Division<br>dba Liberty Utilities<br>Test Year Ended December 31, 2012<br>Income Statement |                        |                        |                     |               |                      |                     |                     |                     |                                    | Exhibit<br>Proposed Final Schedule C-1<br>Page 2.2<br>Witness: Bourassa | Schedule C-1<br>sa           |
|----------|---|------------------------|------------------------|---------------------|---------------|----------------------|---------------------|---------------------|---------------------|------------------------------------|---|------------------------------|
|          |   | 10                     | #1                     | 12<br>Intentionally |               | 14<br>Interntionally | 15<br>Intentionally | 16<br>Intentionally | 17<br>Intentionally | Reioinder                          | Proposed  | Adjusted                     |
|          |   | Interest<br>Synch.     | Income                 | Blank               | Left<br>Blank | Left                 | Left<br>Blark       | Left<br>Blank       | Les<br>Back         | Adjusted                           | Rate<br>Increase  | with Rate                    |
| 2        | Revenues<br>Metered Water Revenues  |                        |                        |                     |               |                      | -<br>-<br>-         |                     |                     | \$ 9,854,576                       | \$ 341,225  | \$ 10,195,801                |
|          | Unmetered Water Revenues<br>Other Water Revenues  |                        | -                      |                     |               |                      |                     |                     |                     | 508,220                            |   | 508,220                      |
|          | Coeration Evenees   | ,<br><del>so</del>     |                        |                     | •             | ,                    |                     | · ·                 |                     | \$ 10,362,796                      | \$ 341,225  | \$ 10,704,021                |
|          | Salaries and Wages  |                        |                        |                     |               | •                    |                     |                     |                     | \$ 1,168,151                       |   | \$ 1,168,151                 |
|          | Purchased Power   |                        |                        |                     |               |                      |                     |                     |                     | 601,635                            |   | 601,635                      |
|          | Sitxge Kemoval Expense<br>Fuel for Power Production   |                        |                        |                     |               |                      |                     |                     |                     | 436,318                            |   | 230,310                      |
|          | Chemicals<br>Metaziale and Sumiliae   |                        |                        |                     |               |                      |                     |                     |                     | 357,986                            |   | 357,986                      |
|          | Management Services - US Liberty Water  |                        |                        |                     |               |                      |                     |                     |                     | 1,459,117                          |   | 1,459,117                    |
|          | Management Services - Corporate<br>Management Services - Other  |                        |                        |                     |               |                      |                     |                     |                     | - CS - DSO                         |   | Ce oeb                       |
|          | Outside Services - Accounting   |                        |                        |                     |               |                      |                     |                     |                     | 2,161                              |   | 2,161                        |
|          | Outside Services - Englineering<br>Outside Services - Other   |                        |                        |                     |               |                      |                     |                     |                     | 222,303                            |   | 222,303                      |
|          | Outside Services-Legal  |                        |                        |                     |               |                      |                     |                     |                     | 25,746                             |   | 25,746                       |
|          | Vvaier lesung<br>Rents - Office   |                        |                        |                     |               |                      |                     |                     |                     | 40,007                             |   | 40,007                       |
| - ,      | Equipment Rental  |                        |                        |                     |               |                      |                     |                     |                     | 3,076                              |   | 3,076                        |
| _        | insurance - General Liability   |                        |                        |                     |               |                      |                     |                     |                     | 57,823                             |   | 57,823                       |
|          | Insurance - Vehicle<br>Red Comm. Evn Other  |                        |                        |                     |               |                      |                     |                     |                     | 11,506                             |   | 11,506                       |
| -        | Reg. Comm. Exp Rate Case  |                        |                        |                     |               |                      |                     |                     |                     | 74,200                             |   | 74,200                       |
| æ u      | Miscellareous Expense   |                        |                        |                     |               |                      |                     |                     |                     | 80,791                             |   | 80,791                       |
|          | Depreciation and Amortization Expense   |                        | 47.8                   |                     |               |                      |                     |                     |                     | 1,622,887                          |   | 1,622,887                    |
| - 11     | Taxes Uner Itan income Property Taxes   |                        |                        |                     |               |                      |                     |                     |                     | 547,273                            |   | 553,295                      |
|          | Income fax<br>Fotal Operating Expenses  | 8                      | \$ 20,264              |                     | \$            | -                    | •                   | \$                  | ,                   | 1,033,417                          | \$ 134,371  | 1,161,767                    |
| , a      | Operating Income  | ,                      |                        | ,                   | ,             | ,                    |                     |                     |                     | \$ 1,911,197                       | so.   | 1                            |
| e '      | er incurre (Expense)<br>Interest Income   |                        |                        |                     |               |                      | •<br>•<br>•<br>•    |                     |                     | •                                  |   |                              |
|          | Other income<br>Interest Expense  | 14,252                 |                        |                     |               | ٠                    |                     |                     |                     | (245,693)                          |   | (245,693)                    |
| J        | Other Expense   |                        |                        |                     |               | ,                    | -                   |                     |                     | • •                                |   | • •                          |
| ₩        | Total Other Income (Expense)<br>Net Profit (Loss)   | \$ 14,252<br>\$ 14,252 | \$\$<br>\$ (20,264) \$ | • .                 | 40 40         |                      | w w                 |                     |                     | \$ (245,693) \$<br>\$ 1,665,504 \$ | 206,854   | \$ (245,693)<br>\$ 1,872,358 |
| ON C III | SUPPORTING SCHEDULES.<br>C-2<br>E-2   |                        |                        |                     |               |                      |                     |                     |                     |                                    | RECAP SCHEDULES:<br>C-1, page 1   | ILES:                        |
|          |   |                        |                        |                     |               |                      |                     |                     |                     |                                    |   |                              |

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DECISION NO.

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Adjustments to Revenues and Expenses

39 40 Exhibit Proposed Final Schedule C-2 Page 1 Witness: Bourassa

Line Adjustments to Revenues and Expenses No. 1 3 <u>5</u> 6 Subtotal 1 Corporate Corporate interest Property 2 Water Allocation Allocation on 3 **Testing Depreciation** <u>Taxes</u> True-up Expense Customer Dep. 4 Revenues (28,753) (23,668)6 24,122 (7,420)Expenses (2,521) 5,346 (32,894)Operating 9 income (24, 122)28,753 23,668 7,420 2.521 (5,346) 32.894 10 11 Interest 12 Expense 13 Other 14 15 income / Expense 16 17 Net Income (24, 122)28,753 23,668 7,420 2,521 (5,346) 32,894 18 19 20 Adjustments to Revenues and Expenses 21 7 <u>8</u> Bad 9 <u>10</u> 11 <u>12</u> <u>Total</u> Revenue 22 Intentionally 23 Expense Debt Misc. Interest income Left Annualization 24 Expense Expense Synch. **Taxes** Blank 25 1,193 Revenues 1.193 26 27 (1,493)(23,924)(342)20,264 (38,388) Expenses 28 29 Operating 2,686 23,924 342 30 Income (20, 264)39,581 31 32 interest 14.252 33 14,252 Expense 34 Other 35 Income / 36 Expense 37 23,924 342 2,686 14,252 (20, 264)53,833 38 Net Income

Exhibit

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Adjustments to Revenues and Expenses

ear Ended December 31, 2012 Proposed Final Schedule C-2 ents to Revenues and Expenses Page 2
Adjustment Number 1 Witness: Bourassa

### **Depreciation Expense**

| Line |            |  |            |             |                 |           |                 |
|------|------------|--|------------|-------------|-----------------|-----------|-----------------|
| No.  |            |  |            |             |                 |           |                 |
| 1    |            |  |            |             |                 |           |                 |
| 2    |            |  |            | Adjusted    |                 |           |                 |
| 3    | Acct.      |  |            | Original    | <u>Proposed</u> | Depr      | eciation        |
| 4    | <u>No.</u> | <u>Description</u>   |            | <u>Cost</u> | <u>Rates</u>    | <u>Ex</u> | <u>pense</u>    |
| 5    | 351        | Organization   |            | -           | 0.00%           |           | -               |
| 6    | 352        | Franchise  |            | •           | 0.00%           |           | •               |
| 7    | 353        | Land   |            | 1,835,956   | 0.00%           |           | -               |
| 8    | 354        | Structures & Improvements  |            | 24,821,920  | 3.33%           |           | 826.570         |
| . 9  | 355        | Power Generation   |            | 602,932     | 5.00%           |           | 30,147          |
| 10   | 360        | Collection Sewer Forced  |            | 1,162,597   | 2.00%           |           | 23,252          |
| 11   | 361        | Collection Sewers Gravity  |            | 31,928,245  | 2.00%           |           | 638,565         |
| 12   | 362        | Special Collecting Structures  | . 5        | - 1,122,212 | 2.00%           |           | -               |
| 13   | 363        | Customer Services  |            | 76,190      | 2.00%           |           | 1,524           |
| 14   | 364        | Flow Measuring Devices   |            | 82,828      | 10.00%          |           | 8,283           |
| 15   | 366        | Reuse Services   |            | 4,057,660   | 2.00%           |           | 81,153          |
| 16   | 367        | Reuse Meters And Installation  |            | 44,753      | 8.33%           |           | 3,728           |
| 17   | 370        | Receiving Wells  |            | 860.393     | 3.33%           |           |                 |
|      |            |  |            |             |                 |           | 28,651          |
| 18   | 371        | Pumping Equipment  |            | 872,370     | 12.50%          |           | 109,046         |
| 19   | 374        | Reuse Distribution Reservoirs  |            | 62,286      | 2.50%           |           | 1,557           |
| 20   | 375        | Reuse Trans. and Dist. System  |            | 420,334     | 2.50%           |           | 10,508          |
| 21   | 380        | Treatment & Disposal Equipment   |            | 5,362,219   | 5.00%           |           | 268,111         |
| 22   | 381        | Plant Sewers   |            | 47,802      | 5.00%           |           | 2,390           |
| 23   | 382        | Outfall Sewer Lines  | 1.         | 343,681     | 3.33%           |           | 11,445          |
| 24   | 389        | Other Sewer Plant & Equipment  |            | 833,823     | 6.67%           |           | 55, <b>6</b> 16 |
| 25   | 390        | Office Furniture & Equipment   |            | 275,740     | 6.67%           |           | 18,392          |
| 26   | 390.1      | Computers and Software   |            | -           | 20.00%          |           | •               |
| 27   | 391        | Transportation Equipment   |            | 20,194      | 20.00%          |           | 4,039           |
| 28   | 392        | Stores Equipment   |            | 8,968       | 4.00%           |           | 359             |
| 29   | 393        | Tools, Shop And Garage Equip   |            | 129,950     | 5.00%           | 4         | 6,497           |
| 30   | 394        | Laboratory Equip   |            | 187,184     | 10.00%          |           | 18.718          |
| 31   | 395        | Power Operated Equipment   |            | 6,605       | 5.00%           |           | 330             |
| 32   | 396        | Communication Equip  |            | 415,441     | 10.00%          |           | 41,544          |
| 33   | 398        | Other Tangible Plant   |            | -           | 10.00%          |           | •               |
| 34   |            | Cirio, Farigidio Fianti  | £ .        |             | 10.0070         |           |                 |
| 35   |            |  |            |             |                 |           |                 |
| 36   | +4         |  |            |             |                 |           | ·               |
| 37   |            |  |            |             |                 |           |                 |
|      |            |  |            |             |                 |           |                 |
| 38   |            | TOTALC   | - <u>-</u> | 74 400 070  |                 |           | 0.400.405       |
| 39   |            | TOTALS   | Þ          | 74,460,070  | i .             | \$        | 2,190,425       |
| 40   |            |  |            | 0           |                 |           |                 |
| 41   |            | mortization of Contributions   |            | Gross CIAC  | Amort. Rate     | 44        |                 |
| 42   | 361        | Collection Sewers Gravity  | \$         | 25,745,608  | 2.0000%         | \$        | (514,912)       |
| 43   | 363        | Customer Services  |            | 2,631,307   | 2.0000%         | \$        | (52,626)        |
| 44   |            |  | \$         | 28,376,915  |                 |           |                 |
| 45   | Total De   | epreciation Expense  |            |             |                 | \$        | 1,622,887       |
| 46   |            |  |            |             |                 |           | •               |
| 47   | Adjuste    | d Test Year Depreciation Expense   |            |             |                 |           | 1,598,765       |
| 48   | •          |  |            |             |                 |           |                 |
| 49   | Increas    | e (decrease) in Depreciation Expense   |            |             |                 |           | 24,122          |
| 50   | ,          | •  |            |             |                 |           |                 |
| 51   | Adiustr    | nent to Revenues and/or Expenses   |            |             |                 | \$        | 24,122          |
| 52   | , wjesti   | The state of the s |            |             |                 |           | 47,144          |
|      | . GUDDO    | ARTING SCHEDUI E   |            |             |                 |           |                 |
| 53   |            | PRTING SCHEDULE  |            |             |                 |           |                 |
| 54   | B-2, pag   | ye ə   |            |             |                 |           |                 |

DECISION NO. 74437

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 2

Exhibit Proposed Final Schedule C-2 Page 3 Witness: Bourassa

### **Property Taxes**

| Line       |  |     | Test Year  |          | Company    |
|------------|--|-----|------------|----------|------------|
| <u>No.</u> | DESCRIPTION  | a   | s adjusted |          | commended  |
| 1          | Company Adjusted Test Year Revenues  | \$  | 10,362,796 | \$       | 10,362,796 |
| 2          | Weight Factor  |     | 2          |          | 2          |
| 3          | Subtotal (Line 1 * Line 2)   |     | 20,725,592 |          | 20,725,592 |
| 4          | Company Recommended Revenue  |     | 10,362,796 |          | 10,704,021 |
| 5          | Subtotal (Line 4 + Line 5)   |     | 31,088,388 |          | 31,429,613 |
| 6          | Number of Years  |     | 3          |          | 3          |
| 7          | Three Year Average (Line 5 / Line 6)   |     | 10,362,796 |          | 10,476,538 |
| 8          | Department of Revenue Mutilplier   |     | 2          |          | 2          |
| 9          | Revenue Base Value (Line 7 * Line 8)   |     | 20,725,592 |          | 20,953,075 |
| 10         | Plus: 10% of CWIP (intentionally excluded)   |     | -          |          |            |
| 11         | Less: Net Book Value of Licensed Vehicles  |     | 51,225     |          | 51,225     |
| 12         | Full Cash Value (Line 9 + Line 10 - Line 11)   |     | 20,674,367 |          | 20,901,851 |
| 13         | Assessment Ratio   |     | 19.0%      |          | 19.0%      |
| 14         | Assessment Value (Line 12 * Line 13)   |     | 3.928.130  |          | 3,971,352  |
| 15         | Composite Property Tax Rate - Obtained from ADOR   |     | 13.9322%   |          | 13.9322%   |
| 16         | Test Year Adjusted Property Tax Expense (Line 14 * Line 15)  | \$  | 547,273    | \$       | 553.295    |
| 17         | Tax on Parcels   | •   | ,          | . •      | 000,200    |
| 18         | Total Property Taxes (Line 16 + Line 17)   | \$  | 547,273    |          |            |
| 19         | Adjusted Test Year Property Taxes  | \$  | 576,026    |          |            |
| 20         | Adjustment to Test Year Property Taxes (Line 18 - Line 19)   | Š   | (28,753)   |          |            |
| 21         |  |     | 1-01:007   |          |            |
| 22         | Property Tax on Company Recommended Revenue (Line 16 + Line 17)  |     |            | \$       | 553,295    |
| 23         | Company Test Year Adjusted Property Tax Expense (Line 18)  | •   |            |          | 547,273    |
| 24         | Increase in Property Tax Due to Increase in Revenue Requirement  |     |            | \$       | 6,022      |
| 25         | The same of the sa |     |            |          | G,UZZ      |
| 26         | Increase in Property Tax Due to Increase in Revenue Requirement (Line 24   | • \ |            |          | C 000      |
| 27         | Increase in Revenue Requirement  | +)  |            | \$<br>\$ | 6,022      |
| 28         | Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27   |     |            | Þ        | 341,225    |
| 20         | moreage in a toperty rax rea bonal increase in Revenue (Line 26 / Line 27  | ,   |            |          | 1.76474%   |

30 31 32

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 3 Exhibit
Proposed Final Schedule C-2
Page 4
Witness: Bourassa

# Water Testing Expense

| Line<br><u>No.</u> |                                      | ā   |    |          |
|--------------------|--------------------------------------|-----|----|----------|
| 1                  |                                      |     |    |          |
| 2                  | Sludge Removal Expense Adjustment    |     | \$ | 3,410    |
| <b>4</b><br>5      | Water Testing Expense Adjustment     |     |    | (27,078) |
| 6<br>7             |                                      |     |    |          |
| - 8<br>- 9         |                                      |     |    |          |
| 10                 |                                      |     |    | (00,000) |
| 11                 | Increase(decrease) in Expense        |     | \$ | (23,668) |
| 12<br>13           | Adjustment to Revenue and/or Expense | * * | \$ | (23,668) |
| 14<br>15           |                                      |     |    |          |
| 16<br>17           | Reference<br>Testimony               |     |    |          |
| 18<br>19           |                                      |     |    |          |
| 20                 |                                      |     |    |          |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 4 Exhibit Proposed Final Schedule C-2 Page 5 Witness: Bourassa

# Corporate Allocation True-Up

| Line |  |               |
|------|--|---------------|
| No.  |  |               |
| . 1  |  |               |
| 2    |  |               |
| 3    |  |               |
| 4    | Corporate Allocation True-Up Adjustment                    | \$<br>(7,420) |
| 5    |  |               |
| 6    |  |               |
| 7    |  |               |
| 8    | Total Adjustment to Management Services - US Liberty Water | \$<br>(7,420) |
| 9    |  |               |
| 10   |  |               |
| 11   | Adjustment to Revenue and/or Expense                       | \$<br>(7,420) |
| 12   |  | <del></del>   |
| 13.  | SUPPORTING SCHEDULES                                       |               |
| 14   | Staff Adjustment #2  |               |
| 15   | Testimony  |               |
| 16   |  |               |
| 17   |  |               |
| 18   |  |               |
| 19   |  |               |
| 20   |  |               |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 5 Exhibit Proposed Final Schedule C-2 Page 6 Witness: Bourassa

### Corporate Allocation Expense Adjustment

| Line No. 1 2 3 4     | Corporate Allocation Expense Adjustment \$                    | (2,521) |
|----------------------|---|---------|
| 5<br>6<br>7          | Total Adjustment to Management Services - US Liberty Water \$ | (2,521) |
| 8<br>9<br>10         | Adjustment to Revenue and/or Expense                          | (2,521) |
| 11<br>12<br>13       | Reference Testimony Work papers                               |         |
| 14<br>15<br>16       |   |         |
| 17<br>18<br>19<br>20 |   |         |

DECISION NO.

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 6 Exhibit Proposed Final Schedule C-2 Page 7 Witness: Bourassa

# Interest on Customer Security Deposits

| Line<br><u>No.</u> |                                       |   |   |       |
|--------------------|---------------------------------------|---|---|-------|
| 1                  |                                       |   |   |       |
| 2                  | Interest on Customer Deposits         | 9 | : | 5,346 |
| 3                  |                                       | • |   | 0,010 |
| 4                  |                                       |   |   |       |
| 5                  |                                       |   |   |       |
| 6                  | Adjustment to Miscellaneous Expense   |   |   | 5,346 |
| 7                  | , tajas mark to missasianosas Expense |   |   | 3,040 |
| 8                  |                                       |   |   |       |
| -                  | Adjustment to Devenue and/or Evenue   |   |   |       |
| 9                  | Adjustment to Revenue and/or Expense  |   |   | 5,346 |
| 10                 |                                       |   |   |       |
| 11                 | Reference                             |   |   |       |
| 12                 | Staff Adjustment #4                   |   |   |       |
| 13                 | Testimony                             |   |   |       |
| 14                 |                                       |   |   |       |
| 15                 |                                       |   |   |       |
| 16                 |                                       |   |   |       |
| . 17               |                                       |   |   |       |
| 18                 |                                       |   |   |       |

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 7 Exhibit Proposed Final Schedule C-2 Page 8 Witness: Bourassa

### Revenue and Expense Annualization

| Line       |  |    |             |
|------------|--|----|-------------|
| <u>No.</u> |  |    |             |
| 1          |  |    |             |
| 2          |  |    |             |
| 3          | Revenue Annualization for Res Low Income   | \$ | 1,193       |
| 4          |  |    |             |
| 5          | Increase (decrease) in Revenues  | \$ | 1,193       |
| 6          |  |    |             |
| 7          | Annualized Purchase Power  | \$ | 54          |
| 8          | Annualized Sudge Removal   | •  | 13          |
| 9          | Annualized Postage   |    | (1,506)     |
| 10         |  |    | . , , , , , |
| 11         | Increase (decrease) in Expenses  | \$ | (1,439)     |
| 12         |  |    |             |
| 13         |  | •  |             |
| 14         |  |    |             |
| 15         |  |    |             |
| .16        |  |    |             |
| 17         | and the second of the second o |    |             |
| 18         | Reference  |    |             |
| 19         | RUCO Adjustment #3   |    |             |
| 20         | Testimony  |    |             |

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 8 Exhibit Proposed Final Schedule C-2 Page 9 Witness: Bourassa

### **Bad Debt Expense**

| Line No. 1 2 3 | Reclassify Bad Debt Expe         | ense to Water Divisio   | o <b>n</b> 1 |                                       | (23,924)                               |
|----------------|----------------------------------|---|--------------|---------------------------------------|--|
| 4<br>5<br>6    | Adjustment to Bad Debt 8         | Expense   |              | \$                                    | (23,924)                               |
| 8 9            | Adjustment to Revenue a          | and/or Expense  |              | \$                                    | (23,924)                               |
| 10<br>11<br>12 | Reference<br>RUCO Adjustment #11 | en en en la servició de la companya |              |                                       |  |
| 13<br>14<br>15 |                                  |   |              |                                       |  |
| 16<br>17<br>18 |                                  |   |              | e e e e e e e e e e e e e e e e e e e | ************************************** |
| 19<br>20       |                                  |   |              |                                       |  |

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Adjustment to Revenues and Expenses
Adjustment Number 9

Exhibit Proposed Final Schedule C-2 Page 10 Witness: Bourassa

# Miscellaneous Expense

| Line |                                      |     |                |
|------|--------------------------------------|-----|----------------|
| No.  |                                      |     |                |
| 1    |                                      |     |                |
| 2    | Miscellanous Expense Adjustment      | \$  | (342)          |
| 3    |                                      |     |                |
| 4    |                                      |     |                |
| 5    | Adjustment to Miscellaneous Expense  | \$  | (342)          |
| 6    |                                      | -   |                |
| 7    |                                      |     |                |
| - 8  |                                      | **  |                |
| 9    | Adjustment to Revenue and/or Expense | \$  | (342)          |
| 10   |                                      |     |                |
| 11   | Reference                            |     |                |
| 12   | RUCO Adjustment 15                   |     |                |
| 13   |                                      | * . | and the second |
| 14   |                                      |     |                |
| 15   |                                      |     |                |
| 16   |                                      |     |                |
| 17   |                                      |     |                |

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012 Adjustment to Revenues and Expenses Adjustment Number 10

Exhibit Proposed Final Schedule C-2 Page 11 Witness: Bourassa

# Interest Synchronization

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| Line       |                                   |               |                  |    |          |
|------------|-----------------------------------|---------------|------------------|----|----------|
| <u>No.</u> |                                   | and the Maria |                  |    |          |
| 1          |                                   |               |                  |    | •        |
| 2          |                                   |               |                  |    | 4        |
| 3          |                                   |               |                  |    |          |
| 4          | Fair Value Rate Base              |               | \$<br>24,190,673 |    |          |
| 5 -        | Weighted Cost of Debt             |               | 1.02%            |    |          |
| 6          | Interest Expense                  |               |                  | \$ | 245,693  |
| 7          |                                   |               |                  |    |          |
| 8          | Test Year Interest Expense        |               |                  | \$ | 259,945  |
| 9          |                                   |               |                  |    |          |
| 10         | Increase (decrease) in Interest   | Expense       |                  |    | (14,252) |
| 11         |                                   |               |                  |    | •        |
| 12         | **                                |               |                  |    |          |
| 13         | ·                                 |               |                  |    |          |
| 14         | Adjustment to Revenue and/or      | Expense       | `                | \$ | 14,252   |
| 15         |                                   |               |                  |    |          |
| 16         |                                   |               |                  |    |          |
| 17         | Weighted Cost of Debt Computation |               |                  |    |          |
| 18         | Pro forma Capital Structure       |               |                  | ,  | Weighted |
| 19         |                                   | Percent       | Cost             |    | Cost     |
| 20         | Debt                              | 15.87%        | 6.40%            | -  | 1.02%    |
| 21.        | Equity                            | 84.13%        | 9.20%            |    | 7.74%    |
| 22         | Total                             | 100.00%       |                  |    | 8.76%    |
| 23         |                                   |               |                  |    |          |
|            |                                   |               |                  |    |          |

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DECISION NO.

# Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities Test Year Ended December 31, 2012

Test Year Ended December 31, 2012 Adjustment to Revenues and/or Expenses Adjustment Number 11 Exhibit
Proposed Final Schedule C-2
Page 12
Witness: Bourassa

| No. |                                  |  |      |              |         |            |
|-----|----------------------------------|--|------|--------------|---------|------------|
| 1   | Income Taxes                     |  |      |              |         |            |
| 2   |                                  |  | 1    | Test Year    | Te      | st Year    |
| 3   |                                  |  | at P | resent Rates | at Prop | osed Rates |
| 4   | Compauted Income Tax             |  | \$   | 1,033,417    | \$      | 1,161,767  |
| 5   | Test Year Income tax Expense     |  |      |              |         | 1,033,417  |
| 6   | Adjustment to Income Tax Expense |  | \$   | 1,033,417    | \$      | 128,350    |
| 7   |                                  |  |      |              |         |            |

SUPPORTING SCHEDULE C-3, page 2

Test Year Ended December 31, 2012 Computation of Gross Revenue Conversion Factor

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Exhibit
Proposed Final Schedule C-3
Page 1
Witness: Bourassa

Percentage of Incremental Line Gross Revenues No. Combined Federal and State Effective Income Tax Rate 38.290% 1 2 1.089% 3 **Property Taxes** 4 5 6 Total Tax Percentage 39.379% 60.621% 8 Operating Income % = 100% - Tax Percentage 9 10 11 12 = Gross Revenue Conversion Factor 13 14 Operating Income % 1.6496 15 16 17 18 19 20 21 22 23 24 **RECAP SCHEDULES:** 25 **SUPPORTING SCHEDULES:** 26 C-3, page 2 27 28 29 30 31 32 33 34 35 36 37 38 39

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DECISION NO.

Proposed Final Schedule C-3

Exhibit

Page 2 ess: Rourses GROSS REVENUE CONVERSION FACTOR Line No. (B) (C) (D) ΙEΊ ΙFI Description Calculation of Gross Revenue Conversion Factor, 100,0000% 0.0000% 0.0000% 100.0000% 39.3790% 60.6210% 1.649594 ecible Factor (Line 11) Revenues (L1 - L2)
Combined Federal and State Income Tax and Property Tax Rate (Line 23) Subtotal (L3 - L4) Revenue Conversion Fector (L1 / L5) Calculation of Uncollectible Factor: Unity
Combined Federal and State Tax Rate (L17) 100.0000% 38.2900% 61.7100% 0.0000% One Minus Combined Income Tax Rate (L7 - L8 ) Uncollectible Rate Uncollectible Factor (L9 \* L10 ) 0.0000% <u>Calculation of Effective Tax Rate;</u>

Operating income Before Taxes (Arizona Taxable Income)

Arizona State Income Tax Rate 100.0000% 6.5000% 93.5000% 34.0000% 13 Federal Taxable Income (L12 - L13)
Applicable Federal Income Tax Rate (L55, Col E)
Effective Federal Income Tax Rate (L14 x L15) 16 17 Combined Federal and State Income Tax Rate (L13 +L16) 38.2900% Calculation of Effective Property Tax Factor Unity
Combined Federal and State Income Tax Rate (L17)
One Minus Combined Income Tax Rate (L18-L19) 100.0000% 38.2900% 51.7100% 18 Property Tax Factor
Effective Property Tax Factor (L20\*L21)
Combined Federal and State Income Tax and Property Tax Rate (L17+L22) 1.7647% 1.0890% 39.3790% 24 Required Operating Income
25 AdjustedTest Year Operating Income (Loss)
26 Required Increase in Operating Income (L24 - L25) 2,118,051 1,911,197 206:854 Income Taxes on Recommended Revenue (Col. (E), L52) Income Taxes on Test Year Revenue (Col. (B), L54) Required Increase in Revenue to Provide for Income Taxes (L27 - L28) 1,161,767 1,033,417 128,350 10,704,021 0.0000% 30 Recommended Revenue Requirement Uncollectible Rate (Line 10)
Uncollectible Expense on Recommended Revenue (L24 \* L25) Adjusted Test Year Uncollectible Expense
Required Increase in Revenue to Provide for Uncollectible Exp. Property Tax with Recommended Revenue Property Tax on Test Year Revenue Increase in Property Tax Due to Increase in Revenue (L35-L36) 553.295 547,273 6.022 38 Total Required Increase in Revenue (L26 + L29 + L37) 341,225 (B) (C) (D) Company Recommended Test Year Total Tota Calculation of Income Tax: Sewer 10,362,796 Sewer 10.704.021 10.362,796 Revenue 10 704 021 Operating Expenses Excluding Income Taxes 7,418,182 7,418,182 7,424,203 Operating Expenses Extending informs rance Synchronized Interest (L47)
Arizona Taxable Income (L39 - L40 - L41)
Arizona State Effective Income Tax Rate (see work papers) 245,693 2,698,921 245,693 3,034,126 245,693 3,034,126 6.5000% 175,430 6.5000% 8.5000% 197,218 Arizona income Tax (L42 x L43) Federal Taxable income (L42- L44) 44 45 2,523,491 2.523,491 2,836,908 2,836,908 Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%
Federal Tax on Second Income Bracket (\$50,001 - \$75,000) @ 25%
Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%
Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%
Federal Tax on Fifth Income Bracket (\$335,001 -\$10,000,000) @ 34% 7,500 6,250 7,500 6,250 7,500 7,500 6,250 8,500 91,650 6,250 8,500 91,650 48 8,500 91,850 744,087 8.500 744.087 850,649 850,649 Total Federal Income Tax
Combined Federal and State Income Tax (L35 + 1.42) 964,549 \$ 1,161,767 \$ 1,161,767 COMBINED Applicable Federal Income Tax Rate [Col. [D], L53 - Col. [A], L53 / [Col. [D], L45 - Col. [A], L45]
WASTEWATER Applicable Federal Income Tax Rate [Col. [E], L53 - Col. [B], L53 / [Col. [E], L45 - Col. [B], L45]
WATER Applicable Federal Income Tax Rate [Col. [F], L53 - Col. [C], L53] / [Col. [F], L45 - Col. [C], L45] 34.0000% 34.0000% 0.0000% Calculation of Interest Synchronization: 24,190,673 Weighted Average Cost of Debt 59 Weighted Average Cost of Debt
 60 Synchronized Interest (L45 X L46) 1.0157%

Litchfield Park Service Company - Westewater Division - dbs Liberty Utilities Test Year Ended December 31, 2012

| 9   | Litchfield Park §       | Litchfield Park Service Company - Wastewater Division - dba Liberty Utilities<br>Test Year Ended December 31, 2012<br>Summary of Cost of Capital | ater Division<br>nber 31, 201<br>of Capital | n - dba Liberty Utilities<br>2   |  | Exhibit<br>Proposed P<br>Page 1 | Exhibit Proposed Final Schedule D-1 Page 1 |
|---|-------------------------|--|---|----------------------------------|--|---------------------------------|--|
|   |                         | Consolidated Capital Structure of Water and Wastewater Division  | ture of Wate                                | r and Wastewater Divisi          | 티  | VVI(Ness. Douirassa             | ourassa                                    |
|   | o osta ir               | Adjusted End of Test Year  | Year  |                                  |  |                                 |  |
| Line<br>No. Item of Capital<br>1 Long-Term Debt | etrae de la composición | Percent<br>of<br><u>Total</u><br>15.87%  | Cost<br>Rate<br>6.40%                       | Weighted<br><u>Cost</u><br>1.02% | State of the state | 4 P 9                           |  |
| 2<br>3 Stockholder's Equity                     |                         | 84.13%   | 9.20%                                       | 7.74%                            | 150 200  | + <del>(</del> .                |  |
| 4<br>5 Totals                                   |                         | 100.00%  |   | 8.76%                            |  |                                 | ş  |
| 9 ~ 80  |                         |  |   |                                  |  |                                 |  |
| o 11 10 o                                       |                         |  |   |                                  |  |                                 |  |
| 12<br>13  |                         |  |   |                                  |  |                                 |  |
| 15<br>15<br>15                                  | et esa                  |  |   |                                  | · · · · · · · · · · · · · · · · · · ·  |                                 |  |
| 17<br>18  |                         |  |   |                                  |  |                                 |  |
| 19<br>20<br>-                                   |                         |  |   |                                  |  |                                 |  |
| 21<br>22 <u>SUPPORTING SCHEDULES</u><br>23      | EDULES:                 |  |   | RECA                             | RECAP SCHEDULES:   |                                 |  |
| 24<br>25<br>26                                  |                         |  |   |                                  |  |                                 |  |
| 27<br>28<br>29<br>30                            |                         |  |   |                                  |  |                                 |  |

# Litchfield Park Service Company - Wastewater Division dba Liberty Utilities Revenue Summary

With Annualized Revenues to Year End Number of Customers Test Year Ended December 31, 2012 Exhibit Proposed Final Schedule H-1 Page 1 Witness: Bourassa

|      |  |    |           |      |            |    | •       |          | Percent  | Percent<br>of |
|------|--|----|-----------|------|------------|----|---------|----------|----------|---------------|
|      |  |    |           |      |            |    |         |          | Present  | Proposed      |
| Line |  |    | Present   |      | Proposed   |    | Dollar  | Percent  | Sewer    | Sewer         |
| No.  | Customer Classification                      |    | Revenues  |      | Revenues   |    | Change  | Change   | Revenues | Revenues      |
| 1    | Residential                                  | \$ | 7,214,632 | \$   | 7,466,283  | \$ | 251,652 | 3.49%    | 69.62%   | 69.75%        |
| 2    | Residential - Low Income                     | •  | 23,862    | •    | 24.694     | Ψ. | 832     | 3.49%    | 0.23%    | 0.23%         |
| 3    | Residential HOA 145                          |    | 67,843    |      | 70.209     |    | 2,366   | 3.49%    | 0.23%    | 0.23%         |
| 4    | Residential HOA 172                          |    | 80,475    |      | 83,282     |    |         |          |          |               |
|      | Residential HOA 560                          |    | •         |      | ,          |    | 2,807   | 3.49%    | 0.78%    | 0.78%         |
| 5    |  | _  | 262,013   |      | 271,152    |    | 9,139   | 3.49%    | 2.53%    | 2.53%         |
| 6    | Subtotal                                     | \$ | 7,648,824 | \$   | 7,915,621  | \$ | 266,797 | 3.49%    | 73.81%   | 73.95%        |
| . 7  |  |    |           |      |            |    |         |          |          |               |
| 8    | Multi-Unit Housing                           |    |           |      |            |    |         | - 1 - J. | 100      | 1.0           |
| 9    | Multi-Unit 3                                 | \$ | 10,423    | \$ - | 10,788     | \$ | 366     | 3.51%    | 0.10%    | 0.10%         |
| 10   | Multi-Unit 5                                 |    | 4,524     |      | 4,683      |    | 159     | 3.51%    | 0.04%    | 0.04%         |
| 11   | Multi-Unit 6                                 |    | 6,948     |      | 7,192      |    | 244     | 3.51%    | 0.07%    | 0.07%         |
| 12   | Multi-Unit 7                                 |    | 109,439   |      | 113,279    |    | 3,840   | 3.51%    | 1.06%    | 1.06%         |
| 13   | Multi-Unit 8                                 |    | 6.948     |      | 7,192      |    | 244     | 3.51%    | 0.07%    | 0.07%         |
| 14   | Multi-Unit 13                                |    | 62,102    |      | 64,281     |    | 2,179   | 3.51%    | 0.60%    | 0.60%         |
| 15   | Multi-Unit 15                                |    | 267.082   |      | 276,455    |    | 9,373   | 3.51%    | 2.58%    | 2.58%         |
| 16   | Multi-Unit 16                                |    | 6,948     |      | 7,192      |    | 244     |          |          |               |
|      |  |    | 7,383     |      | •          |    |         | 3.51%    | 0.07%    | 0.07%         |
| 17   | Multi-Unit 17                                |    |           |      | 7,642      |    | 259     | 3.51%    | 0.07%    | 0.07%         |
| 18   | Multi-Unit 22                                |    | 9,554     |      | 9,889      |    | 335     | 3.51%    | 0.09%    | 0.09%         |
| 19   | Multi-Unit 43                                |    | 18,674    |      | 19,329     |    | 655     | 3.51%    | 0.18%    | 0.18%         |
| 20   | Multi-Unit 78                                |    | 33,874    |      | 35,063     |    | 1,189   | 3.51%    | 0.33%    | 0.33%         |
| 21   | Multi-Unit 84                                |    | 36,480    |      | 37,760     |    | 1,280   | 3.51%    | 0.35%    | 0.35%         |
| 22   | Multi-Unit 123                               |    | 106,833   |      | 110.582    |    | 3,749   | 3.51%    | 1.03%    | 1.03%         |
| 23   | Multi-Unit 282                               |    | 122,467   |      | 126,765    |    | 4,298   | 3.51%    | 1.18%    | 1.18%         |
| 24   |  |    |           |      | ,          |    | -,      | 0.0170   | *******  | 1             |
| 25   | Subtotal                                     | \$ | 809,679   | \$   | 838.093    | •  | 28,414  | 3.51%    | 7.81%    | 7.83%         |
| 26   | Subiolai                                     | •  | 005,018   | Ψ    | 030,093    | Ψ  | 20,7,17 | 3.5176   | 1.01%    | 1.0370        |
|      | Small Commercial                             |    | 75.094    | •    | 77 706     |    | 0.004   | 0.500/   | 0.700/   | 0 -00/        |
| 27   |  | \$ | 73,094    | \$   | 77,725     |    | 2,631   | 3.50%    | 0.72%    | 0.73%         |
| 28   | Measured Service:                            | _  |           | _    |            |    |         |          |          |               |
| 29   | Regular Domestic                             | \$ | 438,612   | \$   | 453,960    |    | 15,348  | 3.50%    |          | 4.24%         |
| 30   | Restaurant, Motels, Grocery, Dry Cleaning    |    | 375,664   |      | 388,810    |    | 13,147  | 3.50%    | 3.63%    | 3.63%         |
| 31   | Subtotal                                     | \$ | 814,276   | \$   | 842,770    | \$ | 28,494  | 3.50%    | 7.86%    | 7.87%         |
| 32   |  |    |           |      |            |    |         |          |          |               |
| 33   | Wigwam Resort - Per Room                     | \$ | 143,312   | \$   | 148,342    | \$ | 5,029   | 3.51%    | 1.38%    | 1.39%         |
| 34   | Wigwam Resort - Main                         |    | 17,200    |      | 17,802     | •  | 602     | 3.50%    |          | 0.17%         |
| 35   | Subtotal                                     | \$ | 160.512   | S    |            | S  | 5,631   | 3.51%    |          |               |
| 36   | 000.014                                      | •  |           | •    | ,,,,,,,    | •  | 0,001   | 0.5170   | 1.0070   | . 1.5576      |
| 37   | Elementary Schools                           | \$ | 70,174    | \$   | 72,630     | •  | 2,456   | 2 500/   | 0.000/   | 0.0004        |
|      |  | φ  |           | Φ    |            |    |         | 3.50%    |          | 0.68%         |
| 38   | Middle and High Schools                      |    | 55,039    |      | 56,965     |    | 1,926   | 3.50%    |          | 0.53%         |
| 39   | Community College                            |    | 21,327    |      | 22,074     |    | 747     | 3.50%    | 0.21%    | 0.21%         |
| 40   | Subtotal                                     | \$ | 146,540   | \$   | 151,669    | \$ | 5,129   | 3.50%    | 1.41%    | 1.42%         |
| 41   |  |    |           |      |            |    |         |          |          |               |
| 42   | Effluent Sales                               |    | 72,967    |      | 72,967     |    | -       | 0.00%    | 0.70%    | 0.68%         |
| 43   | Total Revenues Before Revenues Annualization | \$ | 9,727,893 | \$   | 10,064,989 | \$ | 337,096 | 3.47%    | 93.87%   | 94.03%        |
|      | · · · · · · · · · · · · · · · · · · ·        |    |           |      |            |    | •       |          |          |               |

DECISION NO. 74437

Revenue Summary

With Annualized Revenues to Year End Number of Customers Test Year Ended December 31, 2012

Exhibit

Proposed Final Schedule H-1 Page 2

Percent

Percent

Witness: Bourassa

| • • • • |  |     | Description |    | ,<br>,     |    | D-#      | <b>.</b> | of<br>Present | of<br>Proposed |
|---------|--|-----|-------------|----|------------|----|----------|----------|---------------|----------------|
| Line    | Onesta man Olama Mantina   | ,   | Present     |    | Proposed   |    | Dollar   | Percent  | Sewer         | Sewer          |
| No.     | Customer Classification  |     | Revenues    |    | Revenues   |    | Change   | Change   | Revenues      | Revenues       |
| 1       | B  |     |             |    |            |    |          |          |               |                |
| 2       | Revenue Annualization  | _   |             | _  |            | _  | :        |          |               |                |
| 3       | Residential  | \$  | 128,534     | \$ | 133,018    | \$ | 4,483    | 3.49%    | 1.24%         | 1.24%          |
| 4       | •  |     |             |    |            |    |          |          |               |                |
| 5       | Small Commercial   |     | 66          |    | 68         |    | 2        | 3.50%    | 0.00%         | 0.00%          |
| 6       | Measured Service:  |     |             |    |            |    |          |          |               |                |
| 7       | Regular Domestic   |     | (1,644)     |    | (1,702)    |    | (58)     | 3.50%    | -0.02%        | -0.02%         |
| 8       | Restaurant, Motels, Grocery, Dry Cleaning  |     | 3,014       |    | 3,119      |    | 105      | 3.50%    | 0.03%         | 0.03%          |
| . 9     | Effluent Sales   |     | (3,287)     |    | (3.287)    |    |          | 0.00%    | -0.03%        | -0.03%         |
| 10      | Subtotal Revenue Annualization   | \$  | 126,683     | \$ | 131,217    | \$ | 4,534    | 3.58%    | 1.22%         | 1.23%          |
| 11      | the state of the s |     | ,           |    |            |    |          |          |               |                |
| 12      | Misc Service Revenues  |     |             |    |            |    |          |          |               |                |
| 13      | Misc Revenues  | \$  | 463,236     | \$ | 463,236    | \$ | • ·      | 0.00%    | 4.47%         | 4.33%          |
| . 14    | Third Party Revenues (not on GL)   | \$  | 44.984      | \$ | 44,984     |    | <u>.</u> | 0.00%    | 0.43%         | 0.42%          |
| 15      | Reconciling Amount to C-1  |     | 0           | •  | (404)      |    | (404)    | 0.00%    | 0.00%         | 0.00%          |
| 16      | Totals   | \$  | 10,362,796  | \$ | 10,704,022 | \$ | 341,225  | 3.29%    | 100.00%       | 100.00%        |
| 17      |  | === |             |    |            |    |          |          |               |                |

18

39 40

# Litchfield Park Service Company - Wastewater Division dba Liberty Utilities Test Year Ended December 31, 2012 Analysis of Revenue by Detail ed Class Special Rate Commercial Customers Pay Standard Commercial Rate

Proposed Final S chedule H-2 Page 1 Witness: Bourassa

|           |   | Average<br>Number of   |                  |                 | 520       | 9          |                    |
|-----------|---|------------------------|------------------|-----------------|-----------|------------|--------------------|
| Line      | Customer                                  | <u>Customers</u><br>at | Average          | Average Present | Proposed  | Proposed I | ncrease<br>Percent |
| No.       | Classification                            | 12/31/2012             |                  |                 | •         |            |                    |
| <u> 1</u> | Residential                               | 15,692                 | Water Use<br>N/A | Rates           | Rates     | Amount     | Amount             |
| 2         | Residential - Low Incom e                 | 15,082                 | NVA              | \$ 38.99        | \$ 40.35  | \$ 1.36    | 3.488%             |
| 3         | Residential HOA 145                       | 1                      | N/A              |                 | F 050 75  | 407.00     |                    |
| 4         | Residential HOA 172                       | 1                      | N/A<br>N/A       | 5,653.55        | 5,850.75  | 197.20     | 3.488%             |
| 5         | Residential HOA 560                       | 1                      | N/A              | 6,706.28        | 6,940.20  | 233.92     | 3.488%             |
| 6         | Residential FIOA DOU                      |                        | WA.              | 21,834.40       | 22,596.00 | 761.60     | 3.488%             |
| 7         | Multi-Unit Housi na                       |                        |                  |                 |           |            |                    |
| 8         |   | . 8                    | N/A              | 400 57          | 440.00    |            |                    |
| 9         | Multi-Unit 3<br>Multi-Unit 5              | 2                      | N/A<br>N/A       | 108.57          | 112.38    | 3.81       | 3.509%             |
| 10        |   | 4                      | N/A<br>N/A       | 180.95          | 187.30    | 6.35       | 3.509%             |
| 11        | Multi-Unit 6<br>Multi-Unit 7              | 36                     | N/A<br>N/A       | 144.76          | 149.84    | 5.08       | 3.509%             |
|           |   |                        |                  | 253.33          | 262.22    | B.89       | 3.509%             |
| 12        | Multi-Unit 8                              | 2                      | N/A              | 289.52          | 299.68    | 10.16      | 3.509%             |
| 13        | Multi-Unit 13                             | 11                     | N/A              | 470.47          | 486.98    | 16.51      | 3.509%             |
| 14        | Multi-Unit 15                             | 41                     | N/A              | 542.85          | 561.90    | 19.05      | 3.509%             |
| 15        | Multi-Unit 16                             | 1                      | N/A              | 579.04          | 599.36    | 20.32      | 3.509%             |
| . 16      | Multi-Unit 17                             | 1                      | N/A              | 615.23          | 636.82    | 21.59      | 3.509%             |
| 17        |   |                        |                  |                 |           |            |                    |
| 18        | Multi-Unit 22                             | 1                      | N/A              | 796.18          | 824.12    | 27.94      | 3.509%             |
| 19        | Multi-Unit 43                             | 1                      | N/A              | 1,556.17        | 1,610.78  | 54.61      | 3.509%             |
| 20        | Multi-Unit 84                             | 1                      | N/A              | 3,039.96        | 3,146.64  | 106.68     | 3.509%             |
| 21        | Multi-Unit 78                             | 1                      | N/A              | 2,822.82        | 2,921.88  | 99.06      | 3.509%             |
| 22        | Multi-Unit 123                            | 2                      | N/A              | 4,451.37        | 4,607.58  | 156.21     | 3.509%             |
| 23        | Multi-Unit 282                            | 1                      | N/A              | 10,205.58       | 10,563.72 | 358.14     | 3.509%             |
| 24        |   |                        |                  |                 |           |            |                    |
| 25        | Small Commercial                          | 95                     | N/A              | 65.93           | 68.24     | 2.31       | 3.504%             |
| 26        | Measured Service:                         |                        |                  |                 |           |            |                    |
| 27        | Regular Domestic                          | 169                    | 55,837           | 216.71          | 224.29    | 7.58       | 3.499%             |
| 28        | Restaurant, Motels, Grocery, Dry Cleaning | 72                     | 92,066           | 432.79          | 447.94    | 15.15      | 3.500%             |
| 29        | ·   |                        |                  |                 |           |            |                    |
| 30        | Wigwam Resort - Per Room                  | 1                      | N/A              | 11,942.70       | 12,361.80 | 419.10     | 3.509%             |
| 31        | Wigwam Resort - Main                      | 1                      | N/A              | 1,433.30        | 1,483.47  | 50.17      | 3.500%             |
| 32        |   |                        |                  |                 |           |            |                    |
| 33        | Elementary Schools                        | 6                      | N/A              | 975             | 1,009     | 34.11      | 3.500%             |
| 34        | Middle and High S chools                  | . · · 4                | N/A              | 1,147           | 1,187     | 40.13      | 3.500%             |
| 35        | Community College                         | 1                      | N/A              | 1,777           | 1,840     | 62.21      | 3.500%             |
| 36        |   | *                      |                  |                 |           |            |                    |
| 37        | Effluent Sales (\$125 per acre foot)      | 0                      | 2,964,633        | 1,127           | 1,127     | -          | 0.000%             |
| 38        | Effluent Sales (\$100 per acre foot)      | 4                      | 4,321,326        | 1,340           | 1,340     | •          | 0.000%             |
| 39        | Effluent Sales (\$200 per acre foot)      | 0                      | 2,308,900        | 1,593           | 1,593     | -          | 0.000%             |
| 40        | Total                                     | 16,161                 |                  |                 |           |            |                    |
|           |   |                        |                  |                 |           |            |                    |

# Litchfield Park Service Company - Wastewater Division dba Liberty Utilities Present and Proposed Rates

Test Year Ended December 31, 2012

Exhibit Proposed Final Schedule H-3 Page 1 Witness: Bourassa

| No. |  |      |           |    |          |             | ************************************** |
|-----|--|------|-----------|----|----------|-------------|--|
| 1   |  | ĺ    | Present   | F  | roposed  |             | Percent                                |
| 2   | Customer Classification  |      | Rates     |    | Rates    | Change      | Change                                 |
| 3   |  |      |           |    |          |             |  |
| 4   | Monthly Charge for:  |      |           |    |          | -           |  |
| 5   | Monthly Residential Service  | \$   | 38.99     | \$ | 40.35    | \$<br>1.36  | 3.49%                                  |
| 6   |  |      |           |    |          |             |  |
| 7   | Multi-Unit Housing - Monthly per Unit  | \$   | 36.19     | \$ | 37.46    | \$<br>1.27  | 3.51%                                  |
| 8 . |  |      |           |    |          |             |  |
| 9   | Commercial:  |      |           |    |          |             |  |
| 10  | Small Commercial - Monthly Service   | \$   | 65.93     | \$ | 68.24    | \$<br>2.31  | 3.50%                                  |
| 11  | Measured Service:  |      | * 4 1 2 3 |    |          |             |  |
| 12  | Regular Domestic:  |      |           |    |          |             |  |
| 13  | Monthly Service Charge   | \$   | 36.91     | \$ | 38.20    | \$<br>1.29  | 3.49%                                  |
| 14  | Commodity Charge per 1,000 gallons   | \$   | 3.22      | \$ | 3.33     | \$<br>0.11  | 3.50%                                  |
| 15  | and the second of the second o |      |           |    |          |             |  |
| 16  | Restaurant, Motels, Grocery Stores & Dry Cleaning Estab.1  |      |           |    |          |             |  |
| 17  | Monthly Service Charge   | \$   | 36.91     | \$ | 38.20    | \$<br>1.29  | 3.49%                                  |
| 18  | Commodity Charge per 1,000 gallons   | \$   | 4.30      | \$ | 4.45     | \$<br>0.15  | 3.50%                                  |
| 19  |  |      |           |    |          |             |  |
| 20  | Wigwam Resort:   |      |           |    |          |             |  |
| 21  | Monthly Rate - Per Room  | \$   | 36.19     | \$ | 37.46    | 1.27        | 3.51%                                  |
| 22  | Main Hotel Facilities - Per Month  | \$   | 1,433.30  | \$ | 1,483.47 | \$<br>50.17 | 3.50%                                  |
| 23  |  |      |           |    |          |             |  |
| 24  | Schools - Monthly Service Rates:   |      | •         |    |          |             |  |
| 25  | Elementary Schools   | \$   | 974.64    | \$ | 1,008.75 | 34.11       | 3.50%                                  |
| 26  | Middile Schools  | \$   | 1,146.64  |    | 1,186.77 | 40.13       | 3.50%                                  |
| 27  | High Schools   | \$   | 1,146.64  | \$ | 1,186.77 | \$<br>40.13 | 3.50%                                  |
| 28  | Community College  | . \$ | 1,777.29  | \$ | 1,839.50 | \$<br>62.21 | 3.50%                                  |
| 29  | •  |      |           |    |          |             |  |
| 30  | Effluent <sup>2</sup>  | Ma   | rket      | М  | arket    |             |  |
| 31  |  |      |           |    |          | . "         |  |

<sup>&</sup>lt;sup>1</sup> Motels without restuarants charged multi-unit monthly rate.

Line

32

<sup>&</sup>lt;sup>2</sup> Market Rate - Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand gallons.

Changes in Representative Rate Schedules Test Year Ended December 31, 2012

Exhibit Proposed Final Schedule H-3 Page 2 Witness: Bourassa

| Line |   | Present     | F  | Proposed |
|------|---|-------------|----|----------|
| No.  | Other Service Charges                                 | Rates       |    | Rates    |
| 1    | Establishment (Regular Hours) per Rule R14-2-603D (a) | \$<br>20.00 | \$ | 20.00    |
| 2    | Establishment (After Hours) per Rule R14-2-603D (a)   | \$<br>40.00 |    | NT       |
| 3    | Re-Establishment of Service per Rule R14-2-603D (a)   | (b)         |    | (b)      |
| 4    | Reconnection (Regular Hours) per Rule R14-2-603D (a)  | \$<br>50.00 | \$ | 20.00    |
| 5    | Reconnection (After Hours) per Rule R14-2-603D (a)    | \$<br>65.00 |    | NT       |
| 6    | NSF Check, per Rule R14-2-608E (a)                    | \$<br>25.00 | \$ | 25.00    |
| 7    | Deferred Payment, Per Month                           | 1.50%       |    | 1.50%    |
| 8    | Late Charge (c)                                       | (c)         |    | (c)      |
| 9    | Service Calls - Per Hour/After Hours(e)               | \$<br>40.00 | \$ | 40.00    |
| 10   | Deposit Requirement                                   | (e)         |    | (e)      |
| 11   | Deposit Interest                                      | 3.50%       |    | 6.00%    |
| 12   | Service Lateral Connection Charge- All Sizes          | (f)         |    | (f)      |
| 13   | Main Extension Tariff, per Rule R14-2-606B            | (g)         |    | (g)      |
|      |   |             |    |          |

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(a) Charges are applicable to wastewater service.

- 18 (b) Minimum charge times number of full months off the system. per Rule R14-2-603D.
- 19 (c) Greater of \$5.00 or 1.5% of unpaid balance.
- 20 (d) No charge for service calls during normal working hours.
- 21 (e) After horus service charge is appropriate when it is at the customer's requires or convenience. It compensates the utility 22 for additional expenses incurred for providing after-hours services. It is appropriate to apply this charge for any utility 23 service provided after hours at the customers request or for the customer's convenience.
- 24 (e) Per ACC Rules R14-2-603B Residential two times the average bill. Non-residential - two and one-half times the average bill.
- 26 (f) At cost. Customer/Developer shall install or cuase to be installed all Service Laterals as a non-refundable contribution-in-aid of construction... 27
- 28 (g) All Main Extensions shall be completed at cost and shall be treated as non-refundable contribution-in-aid of construction.

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IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX. PER COMMISSION RULE 14-2-409D(5).

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|---|---|--|---|--|--|---|--|--|--|---|--|---|
| 1. Provide narrative why Replacement Aesel is necessary   | replacement of existing asset that has exceeded its designated useful lite and has worn | out of is in destinating asset for other reasons supported by persuasive showing by utility  - replacement of existing asset for other reasons supported by persuasive showing by utility  2. Provide narrative explaining why this sesset is a priority.  Provide narrative explaining why this sesset is a priority. |   | Program. Water main replacement is necessary because the pipe is at the end of its design life, installed in | <ul> <li>requires upon interpretation of Bird Lane from Old Litchield Road to Pajaro Lane requires open cut</li> <li>1962. Also, this selects of Bird Lane from Old Litchield Road to Pajaro Lane requires open cut</li> <li>1962. Also, this selects of Bird Lane from Old Litchield Road to Pajaro Lane</li> </ul> | restoration cost perspective, to replace the aging water pipeline and services at any come unc.  2. Replacing piges and service lines are a priority to avoid water delivery interruptions and avoid. | expensive repental.  3. Replacing pipes and service lines benefits existing customers by improving water supply animating. | Proper replacements are entirely in established, fully developed neighborhoods and do not serve now water castioners.     Sections 3.1 and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortally and efficiency. | <ol> <li>Water main, replaisament is necessary because the pipe is all the end of its usegip in ei, inseriou in<br/>1985; it is ichelde if the recivence brine knop subdivision and the sewer ploss are recommended<br/>for makes-mental table to defenforated condition. It would be adventageous from a surface</li> </ol> | restoration cost perspective, to replace the aging water pipeline and services at the same time.  2. Replacing pipes and service fines are a priority to avoid water delivery interruptions and avoid | - repeats the politics. 3. Replacing pipes and service lines benefits existing customers by improving water supply relability. | <ul> <li>Pige replacerithinks are entirely in established, fully developed neighborhoods and do not serve new water customers.</li> <li>Sections 3.1 and 3.2 in the report explain the modes of pipeline failure, in this case, the failure node is mortally and efficiency.</li> </ul> |
|   |   |  | Subtotal<br>Cost (by<br>project)  |  |  |   | \$404,300  |  |  |   | \$551,700  |   |
| t   | -   | Estimated  | Cost (by<br>NARUC<br>Acct No.)  |  | \$273,100  | \$75,000  | \$18,800   | \$37,400   | \$364,300  | \$115,000   | \$28,800   | \$43,600  |
| October Diant   | Cement Fig  |  | in-Service<br>Date  |  |  |   | Year 1   |  |  |   | Year 1   |   |
| 100   | Мерія   |  | Site<br>(location<br>description)   |  | Bird Lane  | Bird Lane   | Bird Lane  | Bird Lane  | 04-07046 Redondo Drive   | Redondo Drive   | 04-07046 Redondo Drive   | 04-07046 Redondo Drive  |
|   |   |  | PWS<br>ID No.   |  | 04-07046   | 04-07046  | 04-07046   | 04-07046   | 04-07046   | 04-07046  | 04-07046   | 04-07046  |
| 2 - Water   | 1   | 1  | Cost per<br>Unit<br>Estimated)  |  | \$105.89   | \$2,500.00  | \$626.67   | \$6,233.33   | \$105.90   | \$2,500.00  | \$626.09   | \$6,228.57  |
| Water Capital Froject Summers Litchfield Park Facilities Assessment, Volume 2 - Water Liberty Utilities | Replacement Plant Description   |  | Material  |  | dio  | Type "K" Copper   | Sensus or Equal  | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or   | diQ  | Type "K" Copper   | Sensus or Equal  | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal   |
| Water Capital Froject Summers<br>Litchfield Park Facilities Assess<br>Liberty Utilities                 | Replaceme   |  | Diameter/<br>Size   |  | .9   | -   | -  | 5 1/4"   | 6" & 12"   | -   | -  | 5 1/4"  |
| apital Pit<br>Id Park Fa<br>Utilities   |   |  | Pipe<br>Length /<br>Quantity  | · .  | 2,579  | 30  | 38   | 60   | 3,440  | 46  | 46   |   |
| Water Capital P<br>Litchfield Park  |   | NARUC<br>Acct No. (SIB-  | Project 399-Supply Mains<br>No. 331-7&D Mains<br>No. 333-Services<br>334-Meters<br>335-Hydrants |  | 331  | 333   | 334  | 335  | 331  | 333   | 334  | 336   |
| Table 7   |   |  | No.   |  | 4  | #   | 2  | 10   | 24   | 28  | 20   | 20  |

74437 DECISION NO. \_\_

Water SIB Table I

|   | Provide narrative why Replacement Asset is necessary | replacement of existing asset that has exceeded its designated useful life and has worn out or is in deteriorating conditions due to no fault of the utility replacement of existing asset for other reasons supported by persuasive showing by utility replacement of existing asset for other reasons supported by persuasive showing by utility a replacement of existing asset for other reasons supported by persuasive suplaining why this asset is a priority.  Provide narrative explaining why this asset does not include the costs for extending or expanding facilities to serve new customers.  Provide reference to related page No. In the submitted detailed Engineering Analysis supporting the netd for SIB. Engineering Analysis shogram:  the utility's systematic assessment, inspection, maintenance, and repair/replacement the utility. | Water main replacement is necessary because the pipe is approaching the end of its design life<br>(installed in 1868) and replacement will satisfy current design criteria for fine flows. It is located<br>along Laguna Drive and Baile Lare, southeast of Old Libriding Ra and Wigwam BNd. Service<br>along Laguna Drive and Baile Lare, southeast of Old Libriding Ra and Wigwam BNd. Service<br>and control in reconcern to control or the control of the con | tills lightdetting is inclusionally of statute apparent integring. The accomplication is the promiser of the promiser of the promiser of the accomplication of the promiser of the accomplication of t | Replacing pipes and service lines are a priority to avoid water deliviery interruptions and avoid expensive tepairs.  Replacing pipes and service lines benefits existing customers by improving water supply adapting. | instancy.  Proper replacements are entirely in established, fully developed neighborhoods and do not serve replacements are entirely in established, fully developed neighborhoods and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency. | Water main replacement is necessary because the pipe is at the end of its design life (installed in 1956) and replacement will satisfy current design criteria for fire flows. It is located along Neolin Avenue and Wigwern Blvd. The sewer pipelines in the vicinity are recommended for replacement. | due to falled materials and conditions that can lead to overflows. It would be advantageous from a<br>surface restoration cost perspective, to replace the aging water pipeline and services at the same<br>thins. | Replacing pipes and service lines are a priority to avoid water delivery interruptions and avoid expensive repairs.<br>Replacing pipes and service lines benefits existing customer's by improving water supply | reliability.<br>Pipe replacements are entirely in established, fully developed neighborhoods and do not serve<br>new walar customers. |
|---|--|---|--|--|---|---|---|--|---|---|
|   | <u>-</u>   | Estimated 2. P Subtoctal 3. P Project   5. P P Project   5. P P P P P P P P P P P P P P P P P P   |  | = 2.00   | \$1,195,100 [2. F   | . ક. સુ   | -   |  | \$338,100 2. F  | 4.  |
|   |  | Estimated Estimated Cost (by NaRuc Acct No.)  | \$670,300  | \$355,000  | \$88,800  | \$81,000  | \$269,400   | \$30,000   | \$7,500   | \$31,200  |
| ·   | Replacement Plant                                    | Expected in-Service Date  |  |  | Year 2  |   |   |  | Year 2  |   |
|   | Repla  | Site<br>(location<br>description)   | Laguna Drive<br>and Bahia<br>Lane  | Laguna Drive<br>and Bahia<br>Lane  | Laguna Drive<br>and Bahia<br>Lane   | Laguna Drive<br>and Bahia<br>Lane   | Neolin Ave  | Neolin Ave   | Neolin Ave  | Neolin Ave  |
|   |  | PWS<br>ID No.   | 04-07046   | 04-07046   | 04-07046  | 04-07046  | 04-07046  | 04-07046   | 04-07046  | 04-07046  |
| 2 - Water   |  | Installed<br>Cost per<br>Unit<br>(Estimated)  | \$105.89   | \$2,500.00   | \$625.35  | \$6,230.77  | \$114.30  | \$2,500.00   | \$625.00  | \$6,240.00  |
| Water Capital Project Summary<br>Litchfield Park Facilities Assessment, Volume 2 - Water<br>Liberty Utilities | Replacement Plant Description                        | Matorial  | dio  | Type "K" Copper  | Sensus or Equal   | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal   | ЫÐ  | Type "K" Copper  | Sensus or Equal   | Waterous Pacer,<br>Mueller Centurion,<br>Class Medallion or   |
| Water Capital Project Summary<br>Litchfield Park Facilities Assess<br>Liberty Utilities                       | Replaceme  | Diameter/<br>Size   | 6" & 12"   | -  | ÷   | 5 1/4"  | 6" & 12"  | :  | :-  | 5 1/4"  |
| Water Capital Pro<br>Litchfield Park Fa<br>Liberty Utilities  |  | Pipe<br>Length / Quantity   | 6,330  | 142  | 142   | 13  | 2,357   | 12   | 2   | ro  |
| Water C<br>Litchfiel  |  | NARUC Acct No. (SiB- eligible ptant) Project 395 - Supply Mains No. 331 - Tab Mains No. 334 - Barices 334 - Midrants  | 331  | 333  | 334   | 335   | 331   | 333  | 334   | 335   |
| Table 7   |  | Project 3   | 3,4  | 38   | ပ္ထ   | 30  | 4   | 48   | Ą   | 9   |

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# Water SIB Table I

| 1. Provide narrative why Replacement Asset is necessary | <ul> <li>replacement of existing asset that has exceeded its designated useful life and has wom our or is in deteriorating condition due to no fault of the utility</li> <li>replacement of existing asset for other reasons supported by persuasive showing by utility</li> <li>Provide narrative explaining why this asset is a priority.</li> <li>Provide narrative explaining why this asset is a priority.</li> <li>Provide anirative explaining how replacing this asset will benefit existing customers.</li> <li>Provide affirmation that Replacement Asset does not include the costs for extending or expanding facilities to serve new customers.</li> <li>Provide effectuacy or related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance, and repair/replacement program.</li> </ul> | <ol> <li>Water main replacement is necessary because the pipe is approaching the end of its design life,<br/>installed in 1955. It is located along La Loma Ave and Honeysuckle SI NW of Old Littifield and</li> </ol> | Wigwam Blwd. The area has been planned out as the City of Litchheid's hutre City Hail When funds become available. The sewer lines are recommended for replacement due to corroded material and nowfine unfaintial. | <ol> <li>Replacing pipes and service lines are a priority to avoid water delinery interruptions and avoid<br/>expensive repairs.</li> </ol> | <ol> <li>Replacing pipes and service lines benefits existing customers by improving water supply relebility.</li> <li>Pipe replacements are entirely in established, fully developed neighborhoods and do not serve new water customens.</li> <li>Sections 3.1 and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency.</li> </ol> | <ol> <li>Water main replacement is necessary because the pipe is approaching the end of its design life<br/>(installed in 1966) and replacement will satisfy current the sign criteria for fire flows. It is located in</li> </ol> | The Southeast portion of Luchield Plat proughout the Villa Nueva subdivision. It would be advertisedous from a surface restoration cost perspective, to replace the aging water pipeline and seavines at the same time. | <ol> <li>Replacing pipes and service lines are a priority to avoid water delivery interruptions and avoid<br/>expensive repairs.</li> </ol> | <ol> <li>Replacing pipes and service lines benefits existing customers by improving water supply reliability.</li> <li>Pipe replacements are entirely in established, fully developed neighborhoods and do not serve new water customers.</li> <li>Sections 31 and 32, in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency.</li> </ol> | <ol> <li>The sewer pipes are recommended for replacement due to deteriorated condition and overflow<br/>potential. It would be advantageous from a surface restoration cost perspective, to replace the</li> </ol> | aging water proeinte and services at the same time, Water main replacement will also satisfy current design criteria for file flows by upsizing pipelines.  2. Benierien nines and examine flose and annink mand water delinery intermetine and annink. |                      | reliability.  Pipe replacements are entirely in established, fully developed neighborhoods and do not serve new water customers.  Sections 3.1 and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency. |
|---|--|--|---|---|--|--|---|---|--|--|---|----------------------|---|
|   | Estimated<br>Subtotal<br>Cost (by<br>project)  |  |   | \$560,000   |  |  |   | \$2,458,100   |  |  |   | \$1,053,600          |   |
| Į   | Estimated<br>Subtotal<br>Cost (by<br>NARUC<br>Acct No.)  | \$500,800  | \$7,500   | \$1,900   | \$49,800   | \$1,752,500  | \$415,000   | \$103,800   | \$186,800  | \$825,800  | \$102,500   | \$25,700             | \$99,600  |
| Replacement Plant                                       | Expected<br>In-Service<br>Date   |  |   | Year 3  |  |  |   | Year 3  |  |  |   | Year 4               |   |
| Rep   | Site<br>(location<br>description)  | South<br>La Loma Ave   | South<br>La Loma Ave  | South<br>La Loma Ave  | South<br>La Loma Ave   | Villa Nueva  | Villa Nueva   | Villa Nueva   | Villa Nueva  | Old<br>Litchfield Rd   | Old<br>Litchfield Rd  | Old<br>Litchfield Rd | Old<br>Litchfleid Rd  |
|   | PWS<br>ID No.  | 04-07046   | 04-07046  | 04-07046  | 04-07046   | 04-07046   | 04-07046  | 04-07046  | 04-07046   | 04-07046   | 04-07046  | 04-07046             | 04-07046  |
|   | installed<br>Cost per<br>Unit<br>(Estimated)   | \$127.04   | \$2,500   | \$633.33  | \$6,225.00   | \$119.79   | \$2,500.00  | \$625.30  | \$6,226.67   | \$107.34   | \$2,500.00  | \$626.83             | \$6,225.00  |
| Replacement Plant Description                           | Material   | OIP  | Type "K" Copper   | Sensus or Equal   | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal  | OIP  | Type "K" Copper   | Sensus or Equal   | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal  | GIO  | Type "K" Copper   | Sensus or Equal      | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal   |
| Replacem  | Diameter/<br>Size  | 6" & 12"   | -   | +   | 5 1/4"   | 6" & 12"   | -   | 4"  | 5 1/4"   | 6" & 12"   | =   | <b>+</b>             | 5 1/4"  |
| Liberty Utilities                                       | Pipe<br>Length /<br>Quantity   | 3,942  | 3   | 3   | ∞  | 14,630   | 166   | 166   | 30   | 7,693  | 14  | 41                   | 16  |
| Liberty   | NARUC Acct No. (SiB- eligible plant) 331 - Rup Mains 333 - Supply Mains 333 - Services 334 - Meiers 335 - Hydrants   | 331  | 333   | 334   | 335  | 331  | 333   | 334   | 335  | 331  | 333   | 334                  | 336   |
|   | Project<br>No.   | 5A   | 5B  | 50  | 50   | 6A   | 6B  | ပ္မ   | О9   | 7A   | 7.8   | 2                    | Q2  |

September 2013

Water SIB Table I

|  |   |  |  |                       |  |   |  |  |  |   | •           |
|--|---|--|--|-----------------------|--|---|--|--|--|---|-------------|
|  | 1. Provide narrative why Replacement Asset is necessary | replacement of existing asset that has accelerated as designed useful in an intervent of existing asset that are assons supported by persuastive showing by out or is in deteriorating condition due to no fault of the utility out of attisting asset for other reasons supported by persuastive showing by utility.  2. Provide narrative explaining why this asset is a priority.  3. Provide narrative explaining why this asset is a priority.  4. Provide narrative explaining how replacing this asset will benefit existing customers.  5. Provide narrative explaining how replacing this asset will benefit existing customers.  5. Provide reference to related page No. in the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance, and repatificipal coment program. | <ol> <li>Water main replacement is necessary because the pipe is at the end of its design life (installed in<br/>1962) and replacement will satisfy current design criteria for fire flows. It is located in the<br/>subdivision north of But I ane. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I ane. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I ane. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I ane. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I ane. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision north of But I are. The sewer infrastructure in the vidnify is also recommended for<br/>subdivision to the sewer infrastructure in the sewer infrastructure in the vidnify is also recommended for the sewer infrastructure in the sewer in the sewer infrastructure in the sewer infrastructure in the sewer infrastructure in the sewer in the sewer infrastructure in the sewer in the sewer in the sewer in the sewer in the sewe</li></ol> |                       | <ol> <li>Negletzing pipes enu servica intes are a prioriny to avoir water usivery memorphisms are a prioring to avoir appensive repelie.</li> <li>Replacing pipes and service lines benefits existing customers by improving water supply</li> </ol> | reliability.  Pape replacements are entirely in established, fully developed neighborhoods and do not serve new water customers.  Sections 3.1 and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency. | <ol> <li>Water main replacement is necessary because the pipe is nearing the end of its design life<br/>(installed in 1965) and replacement will satisfy current design criteria for fire flows. It is located<br/>along is Lorna Divine north of Fairway Dr and almost curving to Old Litchfield Rd. The sewer</li> </ol> | infrastructure in the vicinity is also recommended for replacement due to deteriorated conditions it would be advantageous from a surface restoration cost perspective, to replace the aging water through the advantageous costs and a surface restoration to the perspective, to replace the aging water through the advantage of the surface restoration. | pipalina and sarvices at the source units.  2. Replacing pices and service lines are a priority to avoid water delivery interruptions and avoid expensive repairs. | <ol> <li>Replacing pipes and service lines benefits existing customers by improving water supply reliability.</li> <li>Pipe replacements are entirely in established, fully developed neighborhoods and do not serve new water customers.</li> <li>Sections 3.1 and 3.2 in the report explain the modes of pipeline failure. In this case, the failure mode is mortality and efficiency.</li> </ol> |             |
|  |   | Estimated<br>Subtotal<br>Cost (by<br>project)  |  |                       | \$1,631,400  |   |  |  | \$968,100  |   | \$9,160,400 |
|  | int   | Estimated<br>Subtotal<br>Cost (by<br>NARUC<br>Acct No.)  | \$1,200,600  | \$240,000             | \$60,000   | \$130,800   | \$665,200  | \$177,500  | \$44,400   | \$81,000  |             |
|  | Replacement Plant                                       | Expected<br>in-Service<br>Date   |  |                       | Year 4   |   |  |  | Year 5   |   |             |
|  | Rep   | Site<br>(location<br>description)  | North of<br>Bird Lane  | North of<br>Bird Lane | North of<br>Bird Lane  | North of<br>Bird Lane   | North<br>La Loma Ave   | North<br>La Loma Ave   | North<br>La Loma Ave   | North<br>La Loma Ave  |             |
|  |   | PWS<br>ID No.  | 04-07046   | 04-07046              | 04-07046   | 04-07046  | 04-07046   | 04-07046   | 04-07046   | 7 04-07046  |             |
| 2 - Water  |   | Installed<br>Cost per<br>Unit<br>(Estimated)   | \$116.76   | \$2,500.00            | \$625.00   | \$6,228.57 04-07046   | \$105.89   | \$2,500.00   | \$625.35   | \$6,230.77  |             |
| Water Capital Project Summary<br>Litchfield Park Facilities Assessment, Volume 2 - Wate<br>Liberty Utilities | Replacement Plant Description                           | Material   | DIP  | Type "K" Copper       | Sensus or Equal  | Waterous Pacer,<br>Mueiler Centurion,<br>Clow Medallion or<br>Equal   | OIP  | Type "K" Copper  | Sensus or Equal  | Waterous Pacer,<br>Mueller Centurion,<br>Clow Medallion or<br>Equal   |             |
| Water Capital Project Summary<br>Litchfield Park Facilities Assess<br>Liberty Utilities                      | Replacem  | Diameter/<br>Size  | 6" & 12"   | -                     | -  | 5 1/4"  | .9   | 1-   | -  | 5 1/4"  |             |
| Water Capital Pr<br>Litchfield Park F<br>Liberty Utilities   |   | Pipe<br>Length /<br>Quantity   | 10,283   | 96                    | 96   | 21  | 6,282  | 71   | 11   | 55  |             |
|  |   | NARUC Acct No. (SiB- eligible plant) Project 399 Supply Mains No. 331 - T&D Mains 333 - Services 334 - Meters 335 - Hydrants   | 331  | 333                   | 334  | 335   | 331  | 333  | 334  | 335   |             |
| Table 7  |   | Project<br>No.   | ₩  | 8B                    | ည္ထ  | 80  | <b>46</b>  | 98   | ၁၉   | <b>G</b> 6  |             |
|  |   |  |  |                       |  |   |  |  |  |   |             |

# Wastewater SIB Table I

| <del></del>   |  | 1.   | <del></del>  | <u> </u>                             | i <u>D</u>  | -   | · ·   | m 39   |
|---|--|--|--|--------------------------------------|---|---|---|--|
| 17 Decide and Decide of the Confession of Direct is presented   | 1. Provide marsive with Keblacterient in this is received it designated useful life and has replacement of existing plant that has exceeded its designated useful life and has worn out or is in deteriorating condition due to no fault of the utility earn out or is in deteriorating condition and inflow (M), showing excessive inflitation and inflow (M), showing excessive in adversely effecting teatment plant, if applicable reasons supported by persuasive showing replacement of existing plant for other reasons supported by persuasive showing | by utility.  2. Provide narrative explaining why this segment of plant is a priority.  3. Provide narrative explaining how replacing this plant will benefit existing customers.  4. Provide affirmation that Replacement, Flatt does not include the costs for extending or expanding facilities to each new customers.  5. Provide reference for related page No. in the submitted destained Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility e systematic assessment, inspection, maintenance and explaining the utility esystematic assessment, inspection, maintenance and repairing/planting the utility esystematic assessment, inspection, maintenance and vegineering valuation and any other factors contituting to Pil. | <ol> <li>This project will replace unlined concrete pipe installed in 1902 their as several year-induced.</li> <li>The conditions warrant on open cut tenich method. It is focated in Bird Lane between Old Litchifield Rd and Pajaro Lane. The manhole and service leteral insplacement costs are included to take advantage of costs saving potential and increases construction efficiency.</li> <li>This seament of pipe is a priority because a blockage of the pipe would potentially affect.</li> </ol> |                                      | <ol> <li>This project does not include extending the sever service isothers to serve includes.</li> <li>The Engineering Aralysis that supports the need for SIB can be found in the Final Litchined.</li> <li>Park Facilities Assessment, Volume 1 - Sever. Reference pages 7, 11, and Appendices 3, 4, 5 and 7.</li> </ol> | <ol> <li>This project will replace unfined concrete pipe installed in 1858 that is smoderately deteriorated. It is focated in the Redondo Drive loop subdivision. The marriole and service lateral replacement costs are included to take advantage of cost saving potential and increase construction efficiency.</li> </ol> | This sugment to pipe as a primity occurse a uncounter of the prime that the property of the pipe would present the community.  Supplement this community.  Replacing this portion of the sewer system will provide reliable sentiary sewer conveyance for existing customers. | 4. The project does not include extending the sewer service facilities to serve new customers. 5. The Engineering Analysis that supports the need for SIB can be found in the Final Litchfield Park Facilities Assessment, Volume 1 – Sewer. Reference pages 7, 11, and Appendices 3, 4 and 5. |
|   | Plant  | Estimated<br>Subtotal<br>Cost<br>(by project)  |  | \$375,200                            |   |   | \$450,600   |  |
|   | Replacement Plant  | Estimated<br>Subtotal<br>Cost<br>(by NARUC<br>Acct No.)  | \$327,900  | \$29,000                             | \$18,300  | \$360,100   | \$62,500  | \$28,000   |
|   | œ.   | Expected<br>in-<br>Service<br>Date   | Year 1   | Year 1                               | Year 1  | Year 1  | Year 1  | Year 1   |
|   |  | Site<br>(location<br>description)  | Bird Lane  | Bird Lane                            | Bird Lane   | Redondo   | Redondo<br>Drive  | Redondo  |
|   |  | ADEQ<br>WW<br>Inventory<br>ID No.  | 100310   | 100310                               | 100310  | 100310  | 100310  | 100310   |
| Sewer   | ,  | Installed<br>Cost Unit<br>(estimated)  | \$139.70   | \$4,817.13                           | \$609.35  | \$121.07  | \$3,676.32  | \$431.34   |
| Sewer Capital Project Summary<br>Litchifield Park Facilities Assessment, Volume 1 - Sewe<br>Liberty Utilities | Replecement Plant Description<br>(new plant)<br>(SIS-eligible plant)   | Material   | PVC  | Precast<br>concrete,<br>epoxy coated | PVC   | PVC   | Precast<br>concreta,<br>epoxy coated  | PVC  |
| nmary<br>Issessme   | cement Plant Descr<br>(new plant)<br>(StB-eligible plant)  | Diameter!<br>Size  | 12-Inch  | 60-Inch                              | 4-Inch  | 8-inch  | 48-inch   | 4-Inch   |
| oject Sun<br>acilities A  | Replacer<br>(SI  |  | 2,347  | 80                                   | 30  | 2,974   | 17  | 65   |
| Sewer Capital Project Summary<br>Litchfield Park Facilities Assess<br>Liberty Utilities                       |  | Pipe<br>Description Length/<br>Quantity  | Replace<br>sewer pipe  | Replace<br>sewer<br>manhole          | Replace<br>service<br>lateral   | Replace<br>sewer pipe   | Replace<br>sewer<br>manhole   | Replace<br>service<br>lateral  |
| Sewi<br>Litch<br>Liber  | NARUC<br>Act No.<br>(SIB-<br>eligible<br>plant)  | 361<br>Gravity<br>Collecting<br>Sewers<br>363<br>Service<br>Laterals,<br>Manholes,<br>Clean-oulss,   | 361  | 363                                  | 363   | 361   | 363   | 363  |
| Table 7   |  | Project<br>No.   | ₹  | ā                                    | õ   | 82  | 28  | 2C   |

Wastewater SIB Table I

| ## Installed   ID No.   Cost Unit (estimated)  |  |                 |                        | :  | Provide narrative why Replacement Plant is necessary   |
|--|--|-----------------|------------------------|--|--|
| Pipe   Diameter   Material   Cost Unit   Installed   ID No.   Cost Unit   Co   |  | 2               | Replacement Plant      |  | representant or existing parts urter has exceeded its casegiated users into any worn out or is in deteriorability condition due to no fault of the utility addressing excessive infiltration and inflow (iii), showing excessive III adversely affecting treatment plant, if applicable replacement of existing plant for other reasons supported by persuasive showing  |
| Quantity Stze   (estimated)  | DEQ Site  NW (location Entory description) | Expected<br>In- |                        | Estimated 4. Pr<br>Subtotal or<br>Cost 5. Pr | by utility Provide narrative explaining why this segment of plant is a priority. Provide narrative explaining why this segment of plant will benefit existing customers. Provide antrative explaining how replacing this plant will benefit existing customers. Provide affirmation that Replacement Plant does not include the costs for extending or expanding facilities to serve new customers. Provide arterance releases to retreat page No. In the submitted detailed Engineering Analysis  |
| Replace sewer pipe         4,961         8-Inch         PVC         \$121.07         100310           Replace sewer pipe         140         4-Inch         PVC         \$3,676.23         100310           Replace sewer pipe         140         4-Inch         PVC         \$431.34         100310           Replace sewer pipe         2,974         12-Inch         PVC         \$139.70         100310   |  |                 | (by NARUC<br>Acct No.) | £  | supporting the need for SIB. Engineering Analysis shall sise include narrative septemblic assessment, inspection, maintenance and septemblic assessment, inspection, maintenance and repetifreplacement program. If eddressing IV, evaluate the extent of IV along with the frequency, duration and IV solutine of well weather conditions and any other factors couldibuling to IV.   |
| Replace   18   48-Inch   Concrete, \$3,676.23   100310   | Laguna Drive<br>20310 and Bahia<br>Lane    | Year 2          | \$600,700              |  | This project will replace within a car place in season in contract and a season contract and a season will see a season with a season contract and |
| Replace   140   4-Inch   PVC   \$431.34   100310   100310   100310   12-Inch   PVC   \$139.70   100310   Replace   Precast   P | Laguna Drive<br>and Bahia<br>Lane          | e Year 2        | \$66,200               | 2. T   | This segment of pipe is a priority because a blockage of the pipe of the pipe would potentially affect 140+ homes with either service interruption or seave beckurs. Structural potentially affect 140+ homes with either service interruption or seave beckurs. Structural colleges of the pipe would endanger the community and depending the location; also affect the nearby man-made Thera Verde Lake with waterflow or school age pedestrians. Replacing this portion of the sewer system will provide reliable Sanitary sewer conveyance.   |
| Replace sewer pipe         2,974         12-Inch         PVC         \$139.70         100310           Replace         Precast         Precast   | Laguna Drive<br>and Bahia<br>Lane          | Year 2          | \$60,400               | 4. R. P. | for existing customers. This project will also prevent a sewer overflow and protect the public health.  This project does not include extending the sewer service facilities to serve new customers. This project does not include extending the sewer service facilities to serve new customers. The Engineering Analysis that supports the need for SIB can be found in the Final Litchifield Park Facilities Assessment, Volume 1 – Sewer, Reference pages 7, 11, and Appendices 3, 4, 5, 6 and 7.  |
| Precast  | 0310 Neolin Ave                            | Year 2          | \$415,500              | <u>-</u>                                     | This project will replace a sewer line with multiple problems. There are different materials, the original concrate installation dated 1955, PVC with an unknown installation. It is located along Moran Buth, Frequent odor completit are tied to this specific area as well as sewer bedvups into homes. The manhole and service lateral replacement costs are included to take advantage of cost saving potential and increase construction   |
| 14 60-Inch concrete, \$4,817.13 100310 epoxy coated  | 0310 Neolin Ave                            | Year 2          | \$67,500               | \$490,900 1. T                               | efficiency.  This segment of pipe is a priority because failure of the pipe would potentially affect 13+ homes and produce sewer backups.  Replacing this portion of the sewer system will provide reliable sanitary sewer conveyance for existing customers. This project will also prevent a sewer overflow and protect the public   |
| 363 Service 13 4-Inch PVC \$609.35 100310  | 0310 Neolin Ave                            | Year 2          | \$7,900                | 4 m<br>E H - 0 - 4                           | health. This project does not include extending the sewer service facilities to serve new customers. This project does not include extending the need for SIB can be found in the Final Litchfield Park Facilities Assessment, Volume 1 – Sewer. Reference pages 7, 12, and Appendices 3, 4, 5 and 6.  |

# Wastewater SIB Table I

|         | NARUC  | UC No                         | Danisco                     | ment Plant                     | Deniscoment Plant Description        |  |                          |                                   |                                    |   |   | Provide narrativa why Replacement Plant is necessary     replacement of existing plant that has exceeded its designated useful life and has   |
|---------|--|-------------------------------|-----------------------------|--------------------------------|--------------------------------------|--|--------------------------|-----------------------------------|------------------------------------|---|---|---|
|         | (SIB-<br>eligible<br>plant)  | -                             | S)                          | (SIB-eligible plant)           | nt)<br>plant)                        |  |                          |                                   | <b>E</b>                           | Replacement Plant                                       | Plant   | worn out or is in deteriorating condition due to no fault of the utility - addressing excessive infiltration and inflow (iff), showing excessive in adversely affecting treatment plant, if applicable - replacement of acteting plant for other reasons supported by persuasive showing  |
| No.     | 361<br>Gravity<br>Collecting<br>Sewers<br>363<br>Service<br>Laterals,<br>Manholes,<br>Clean-outs | Description                   | Pipe<br>Length/<br>Quantity | Pipe Diameterf.<br>Length/Size | Material                             | Installed<br>Cost/ Unit<br>(estimated) | ADEQ WW Inventory ID No. | Site<br>(location<br>description) | Expected<br>In-<br>Service<br>Date | Estimated<br>Subtotal<br>Cost<br>(by NARUC<br>Acct No.) | Estimated<br>Subtotal<br>Cost<br>(by project) | by utility  2. Provide narrative explaining why this segment of plant is a priority.  3. Provide narrative explaining how replacing this plant will benefit existing customers.  4. Provide affirmation that Replacament Plant does not include the costs for extending or expanding featilities to serve new customers.  5. Provide reference to related page No. In the submitted detailed Engineering Analysis supporting the mored for SIB. Engineering Analysis shall sate include marrative explaining the utility's systematic assessment, inspection, maintenance and repairireplacement program.  If addressing IV, evaluate the extent of IV along with the frequency, duration and volume of well weather conditions and any other factors contributing to IV. |
| ₹5<br>2 | 361  | Replace<br>sewer pipe         | 2,094                       | 12-inch                        | PVC                                  | \$104.44                               | 100310                   | Golf Course                       | Year 2                             | \$218,700   | to aca  |   |
| 88      | 363  | Replace<br>sewer<br>manhole   | 6                           | 60-inch                        | Precast<br>concrete,<br>epoxy coated | \$4,817.13                             | 100310                   | Golf Course                       | Year 2                             | \$43,400  | 2007, 100<br>45004, 100                       | <ol> <li>Replacing this portion of the sewer existen will provide reliable sentiarly sewer conveyence to upstream customers; there is no direct service connections associated with this project.</li> <li>This project does not include extending the sewer service facilities to serve new customers.</li> <li>The Engineering Analysis that supports the need for SIB can be found in the Final Litchfield Park Facilities Assessment, Volume 1 – Sewer. Reference pages 7, 12, and Appendices 3, 4 and 5.</li> </ol>  |
| 5       | 361  | Replace<br>sewer pipe         | 2,417                       | 12-inch                        | PVC                                  | \$93.38                                | 100310                   | La Loma                           | Year 3                             | \$225,700   | ·   | <ol> <li>This project will replace concrete pipe instelled in 1965. The design life must be re-<br/>evaluated due to the corrotive effects on the unprofected concrete material. It is located<br/>slong Le Loma Ave and Honeysuckle St NW of Old Litchfield and Wigwam Blvd. The area<br/>has been planned out as the City of Litchfield's future City Hall when funds become<br/>evaliable.</li> </ol>  |
| 89      | 363  | Replace<br>sewer.<br>manhole  | 6                           | 80-inch                        | Precast<br>concrete,<br>epoxy coated | \$4,817.13                             | 100310                   | La Loma                           | Year 3                             | \$43,400  | \$278,200                                     | <ol> <li>This segment of pipe is a priority because the high probability of collapse would potentially affect 10+ homes, several businesses and produce sewer beckups. Structural collapse of the pipe would affect pedestrian and vehicular traffic should the City Hall construction take place.</li> <li>Replacing this portion of the sewer system will provide reliable sanitary sewer conveyance.</li> </ol>  |
| ပ္ထ     | 363  | Replace<br>service<br>lateral | 15                          | 4-Inch                         | PVC                                  | \$609.35                               | 100310                   | La Loma                           | Үваг 3                             | \$9,100   |   | This project will also prevent a sewer overflow and protect the public health.  4. This project does not include extending the sewer service facilities to serve new customers.  5. The Engineering Analysis that supports the need for SIB can be found in the Final Litchfield Park Facilities Assessment, Volume 1 – Sewer, Reference page 7 and Appendices 3, 4 and 5,  |
| *       | 361  | Replace<br>sewer pipe         | 15,274                      | 8-Inch &<br>10-Inch            | PVC                                  | \$124.26                               | 100310                   | South Villa<br>Nueva              | Year 3                             | \$1,898,000   |   | <ol> <li>This project will replace vitrified clay pipe installed in 1986. It is located in the southeast portion of Litchifield Park throughout the Villa Nueva subdivision. The brick martholes have heavily deteriorated benches that require repair. The service lateral replacement costs are included to take advantage of rost saving potential and increase construction efficiency.</li> </ol>  |
| 78      | 363  | Replace<br>sewer<br>manhole   | 61                          | 48-inch                        | Precast<br>concrete,<br>epoxy coated | \$3,451.79                             | 100310                   | South Villa<br>Nueva              | Year 3                             | \$210,600   | \$2,177,600                                   | <ol><li>This segment of pipe is a priority because the high probability of collapse would potentially affect (1691 homes and produce seven backups. Structural collapse of the pipe would andanger the community and vehicular treffic.</li><li>Replacing this portion of the sewer system will provide reliable sentiary sewer conveyance.</li></ol>   |
| 5       | 363  | Replace<br>service            | 160                         | 4-inch                         | PVC                                  | \$431.34                               | 100310                   | South Villa<br>Nueva              | Year 3                             | \$69,000  |   | This project will also prevent a sewer overflow and protect the public health.  4. This project does not include attending the sewer service facilities to serve new customers.  5. The Engineering Analysis that supports the need for SIE can be found in the Final Litchfield.   |

|  | <u></u>  | Provide narrative explaining why this segment of plant is a priority.  2. Provide narrative explaining why this segment of plant is a priority.  3. Provide narrative explaining how replacing this plant will benefit existing customers.  Estimated. Provide narrative explaining how replacing this plant will benefit existing customers.  Cost  Subporting the netting Stephenement progress on the actual plant detailed Engineering Analysis explaining the netting 's explaining the utility's explaining and any white frequency, duration and volume of was washing the confliction and any whas factors contribution and | This project will replace concrete pipe on an unknown age. The unprofeded material is highly susceptible to advence hydrogen suffile induced corresion. The location of the pipeline is critical, crissing the intersection of Camelback Road and Litchied Road. The uncoaled precase matholics require extensive repair to remain as safe access points to the |                                      | Supparing this portion of the sewer system will provide reliable sentiary sewer conveyance.     This project will also prevent a sewer overflow and protect the public health.     This project does not include extending the sewer service facilities to serve new customers.     The Engineering Analysis that supports the need for SIS can be found in the Final Lichtheid park Entitles Assersment Volume 4. Same Defense of the final Lichtheid. | 1. This project will replace virtiled clay pipe installed in 1982 that has exceeded its designated useful line of 50 years, it is consider in the subdivision north of Brid Lane. The brick manholes have heavily deteriorated benches that require repair its o several bricks have failen out. This compromises the structural integrity of the manhole. The service listeral replacement. | was are included to take survantage of cost saving potential and increase construction (efficiency.  This segment of pipe is a priority because the high probability of collapse would potentially affect 80+ homes and produce sewer beckups. Structural collapse of the pipe would endanger the community and vehicular tenfic. | 3. Replecting this portion of the sewer system will provide reliable scrittary sewer conveyance.  This project will also prevent a saver overlinow and protect the public health.  4. This project does not include extending the sewer service facilities to serve new customers.  5. The Engineering Analysis that supports the need for SIB can be found in the First Littrifield Park Facilities Assessment. Volume 1 - Sawer Refricement Annowhities 3 4 6 cm. 7 2 cm. 7 | 1. This project will replace vitrified deay pipe installed in 1965. It is located along La Loma Drive north of Fairway Dr and almost curving to Old Litchfield Rd. The manhole and service interest represent costs are included to take advantage of cost saving potential and increase. |                                      | This project will also prevent a sewer system will provide elembra semilarly sewer conveyence.  This project does not include extending the sewer service facilities to serve new customers.  The project does not include extending the sewer service facilities to serve new customers.  The project does not include extending the sewer service facilities to serve new customers.  The project does not include a sewer service facilities to serve new customers.  The project does not include a sewer service facilities to serve new customers. |
|--|--|--|---|--------------------------------------|---|--|---|---|---|--------------------------------------|--|
|  | Replacement Plant  | Estimated<br>Subtotal<br>Cost<br>(by NARUC<br>Acct No.)  | \$1,022,700   | \$102,100                            | \$13,300  | \$949,900  | \$80,000  | \$38,800  | \$561,200   | \$69,900                             | \$30,600   |
|  |  | Expected<br>In-<br>Service<br>Date   | Year 4  | Year 4                               | Year 4  | Year 4   | Year 4  | Year 4  | Year 5  | Year 5                               | Year 5   |
|  |  | Site<br>(location<br>description)  | Old Litchfield<br>Road  | Old Litchfield<br>Road               | Old Litchfield<br>Road  | North of Bird<br>Lane  | North of Bird<br>Lane   | North of Bird<br>Lane   | North La<br>Loma  | North La<br>Lorna                    | North La<br>Lome   |
|  |  | ADEQ<br>WW<br>Inventory<br>ID No.  | 100310  | 100310                               | 100310  | 100310   | 100310  | 100310  | 100310  | 100310                               | 100310   |
| Sewer  |  | Installed<br>Cost Unit<br>(estimated)  | \$128.45  | \$3,518.86                           | \$443.21  | \$121.07   | \$3,477.81  | \$431.34  | \$121.07  | \$3,676.22                           | \$431.34   |
| Sewer Capital Project Summary<br>Litchfield Park Facilities Assessment, Volume 1 - Sewe<br>Liberty Utilities | Replacement Plant Description<br>(new plant)<br>(SIB-eligible plant) | Material   | PVC   | Precast<br>concrete,<br>epoxy coated | PVC   | PVC  | Precast<br>concrete,<br>epoxy coated  | PVC   | PVC   | Precast<br>concrete,<br>epoxy coated | PVC  |
| mmary<br>Assessm   | cement Plant Desci<br>(new plant)<br>(SiB-eligible plant)            | Diameter/<br>Size  | 8-inch,<br>10-inch,<br>12-inch  | 48-inch                              | 4-inch  | 8-Inch   | 48-inch   | 4-inch  | 8-inch  | 48-inch                              | 4-inch   |
| oject Sur<br>acilities   | Replace<br>(5  | Pipe<br>Length/<br>Quantity  | 7,961   | 29                                   | 30  | 7,846  | ឌ   | 06  | 4,635   | 6                                    | 2  |
| Sewer Capital Project Summary<br>Litchfield Park Facilities Assess<br>Liberty Utilities                      |  | Description  | Replace<br>sewer pipe   | Replace<br>sewer<br>manhole          | Replace<br>service<br>lateral   | Replace<br>sewer pipe  | Replace<br>sewer<br>manhole   | Replace<br>service<br>lateral   | Replace<br>sewer pipe   | Replace<br>sewer<br>manhole          | Replace<br>service<br>lateral  |
|  | NARUC<br>Acct No.<br>(SIB-<br>eligible<br>plant)                     | 361<br>Gravity<br>Collecting<br>Sewers<br>363<br>Service<br>Laterals,<br>Manholes,<br>Clean-outs   | 361   | 363                                  | 363   | 361  | 363   | 363   | 361   | 383                                  | 363  |
| Table 7  |  | Project<br>No.   | 88  | 88                                   | 28  | 98   | 88  | 8   | 401   | 108                                  | 10C  |

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| Table |
| SIB   |
| water |
| Waste |
|       |

Table 7

|  |   |   |   |                                      |   |   | DOC  | KET   |
|--|---|---|---|--------------------------------------|---|---|--|---|
|  | <ol> <li>Provide narrative why Replacement Plant is necessary         <ul> <li>replacement of existing plant that has exceeded its designated useful life and has</li></ul></li></ol> | Provide narrative explaining why this segment of plant is a priority.  2. Provide narrative explaining why this segment of plant is a priority.  3. Provide narrative explaining why this segment of plant is a priority.  4. Provide narrative explaining how replacing this plant will benefit existing customers.  5. Provide affirmation that Replacement Plant does not include the costs for extending or expending Sellitles to serve new customers.  5. Provide reference to related page No. In the submitted detailed Engineering Analysis supporting the need for SIB. Engineering Analysis shall also include narrative explaining the utility's systematic assessment, inspection, maintenance and repair/replacement program.  If addressing II, evaluate the extent of II along with the frequency, duration and yolume of well weather conditions and any other factors confirbing to II. | <ol> <li>This project will replace violated Lay plan instance in Properties and Carbon School Road by Verde Lake and Indian School Road by to south of Wilgwam Blvd. The manhole and service leteral replacement costs are included to take advantage of cost saving potential and increase constituction efficiency.</li> <li>This seament of pipe is a priority because the high probability of collapse would potentially</li> </ol> |                                      | Inspring the master that the manual continue in the project does not inspring the project does not include actending the sewer service facilities to serve new customers.  5. The Engineering Analysis that supports the need for SIB can be found in the Final Litchfield Park Facilities Assessment, Volume 1 – Sewer. Reference Appendices 3.4, 5 and 7. | <ol> <li>This project will replace virtined cay pipe installed in 1973. It is located west to a vellage rain and south of Wigwam Blood. The manhole and service lateral replacement costs are included to take advantage of cost saving potential and increase construction efficiency.</li> <li>This segment of pipe is a priority because the high probability of collapse would potentially</li> </ol> | effect 220+ homes and produce sewer backups. Structural collapse of the pipe would endanger the community and vehicular traffic.  3. Replacing this portion of the sewer system will provide reliable sanitary sewer conveyance. This project will see prevent a sewer overflow and protect the public health. | <ol> <li>This project does not include extending the sewer service facilities to serve new customers.</li> <li>The Engineering Analysis that supports the need for SIB can be found in the Final Litchifield Park Facilities Assessment, Volume 1 – Sewer. Reference Appendices 3, 4, 5 and 7.</li> </ol> |
|  | Plant   | Estimated<br>Subtotal<br>Cost<br>(by project)   |   | \$1,290,100                          |   | ,   | \$1,416,700  | \$94,900  |
|  | Replacement Plant   | Estimated<br>Subtotal<br>Cost<br>(by NARUC<br>Acct No.)   | \$1,060,400   | \$141,300                            | \$88,400  | \$1,169,100   | \$152,700  | \$94,900  |
|  | E.  | Expected<br>In-<br>Service<br>Date  | Year 5  | Year 5                               | Year 5  | Year 5  | Year 5   | Year 5  |
| . !  |   | Site<br>(location<br>description)   | Tierra Verde<br>Lake to<br>Wigwam   | Tierra Verde<br>Lake to<br>Wigwam    | Tlerra Verde<br>Lake to<br>Wigwam   | West of<br>Staggs Park  | West of<br>Staggs Park   | West of<br>Staggs Park  |
|  |   | ADEQ<br>WW<br>Inventory<br>ID No.   | 100310  | 100310                               | 100310  | 100310  | 100310   | 100310  |
| Sewer  | Replacement Plant Description<br>(new plant)<br>(SIB-eligible plant)  | Installed<br>Cost/Unit<br>(estimated)   | \$121.07  | \$3,209.49                           | \$431.34  | \$121.07  | \$3,468.79   | \$431.34  |
| Litchfield Park Facilities Assessment, Volume 1 - Sewer<br>Liberty Utilities |   | Material  | PVC   | Precast<br>concrete,<br>epoxy coated | PVC   | PVC   | Precast<br>concrete,<br>epoxy coated   | PVC   |
| \ssessme   | cement Plant Descr<br>(new plant)<br>(SIB-eligible plant)   | Diameter/<br>Size   | 8-inch  | 48-inch                              | 4-inch  | 8-inch  | 48-inch  | 4-inch  |
| acilities /  | Replace (S  | Pipe<br>Length/<br>Quantity   | 8,758   | 44                                   | 205   | 9,656   | 44   | 220   |
| Litchfield Park F.<br>Liberty Utilities                                      |   | Pipe<br>Description Length<br>Quantity  | Replace<br>sewer pipe   | Replace<br>sewer<br>manhole          | Replace<br>service<br>lateral   | Replace<br>sewer pipe   | Replace<br>sewer<br>manhole  | Replace<br>service<br>lateral   |
| Lite   | Acct No.<br>(SIB-<br>eligible   | Jenny<br>361<br>Gravity<br>No. Sewers<br>363<br>Service<br>Laterals,<br>Manholes,<br>Clean-outs   | 361   | 363                                  | 363   | 361   | 363  | 363   |
|  |   | Project<br>No.  | 11A   | 118                                  | 110   | 12A   | 128  | 12C   |

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| SIB I | PLANT TABLE II Exhibit 2   |
|       | SCHEDULE A - CALCULATION OF OVERALL SIB REVENUE REQUIREMENTS AND EFFICIENCY      |
| CRE   | DIT Exhibit 3  |
|       | SCHEDULE B - CALCULATION OF SIBURUE-UP REVENUE REQUIREMENTS ADJUSTMENT Exhibit 4 |
| SIB S | SCHEDULEC - TYPICAL BILLS ANALYSIS Exhibit 5                                     |
| SIB S | SCHEDULE D - SUMMARY OF REVENUE AND RATE BASE IMPACTS INCLUDING                  |
| EAR   | NINGS TESTExhibit 6  |

## I. GENERAL DESCRIPTION

| This document is the Plan of Administration ("POA") for the System Improvement Benefit            |
|---|
| ("SIB") Mechanism approved for the Water Division of Liberty Utilities (Litchfield Park Water     |
| & Sewer) Corp. ("Company") by the Arizona Corporation Commission ("ACC" or                        |
| "Commission") in Decision No on The SIB provides for recovery of the capital                      |
| costs (return on investment, income taxes and depreciation expense) associated with distribution  |
| system improvement projects listed in SIB Plant Table Lathat have been verified to be             |
| completed and placed in service per SIB Plant Table II and where costs have not been included     |
| in rate base for recovery in Decision No These projects are necessary to provide and              |
| continue to provide proper, adequate and reliable service to existing customers; are not designed |
| to serve or promote customer growth; and will not comprise an uperade or expansion of existing    |
| plant unless justified for existing customers per section V below. Any expenditures offset by     |
| contributions in aid of construction or advances in aid of construction are not eligible for      |
| inclusion in the SIB.   |
|   |

## II. DEFINITIONS

- o NARUC National Association of Regulatory Utility Commissioners.
- o SIB System Improvement Benefit mechanism to be implemented between rate proceedings to support investment in plant recorded in SIB Eligible NARUC accounts
- o SIB Eligible Plant Investments in plant recorded in SIB Eligible NARUC accounts.

SIB Eligible NARUC accounts:

- NARUC Account No. 309 Supply Mains
- NARUC Account No. 331 –Transmission and Distribution Mains
- NARUC Account No. 333 Services
- NARUC Account No. 334 Meters and Meter Installations;
- NARUC Account No. 335 Hydrants

<sup>&</sup>lt;sup>1</sup> Acceptable forms of verifications may include the Maricopa County Environmental Services Department Approval of Construction, a Professional Engineer's Certificate of Completion, etc.

- o SIB Plant Table I (Excerpt attached as Exhibit 1) The schedule of planned SIB eligible projects approved in the Company's most recent rate case decision.
- o SIB Plant Table II (Sample attached as Exhibit 2) The schedule of completed and verified SIB eligible projects, from SIB Plant Table I and associated retirements.
- SIB Revenue Requirement The revenue requirement equal to the return on investment, income taxes and depreciation expense necessary to support the SIB Plant Table II amounts.
- o SIB Revenue Requirement Efficiency, Credit An amount equal to 5 percent of the SIB Revenue Requirement.
- SIB Authorized Revenue Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit plus any SIB True up Adjustment.
- o Gross SIB Surcharge Amount to be shown on customers' bills based on meter sizes without consideration to the SIB Surcharge Efficiency Credit.
- o SIB Surcharge Efficiency Credit An amount equal to 5 percent of the Gross SIB Surcharge to be shown on customers, bills.
- o SIB Surcharge The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged based on meter size, calculated to recover the SIB Authorized Revenue, to be shown on the customers' bills.
- SIB True-up Adjustment An amount to adjust for over or under collection of the SIB Authorized Revenues as compared with the total SIB Surcharges collected for the preceding 12 month period. Each true-up shall also analyze the cumulative over or under collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharges, and prior true-ups to be used in calculation of the SIB true-up surcharge or credit.\
- Total Revenue Requirement The revenue requirement approved in Decision No.
  \_\_\_\_\_\_, plus the SIB Revenue Requirement.

### III. SIB RELATED FILINGS

A. Progress Reports – Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports delineating the status of all SIB

Eligible Plant, on a project by project basis as listed in SIB Plant Table I, starting 6 months after the decision and every 6 months thereafter.

- B. Reconciliation and True Up Once a SIB Surcharge is implemented, the Company must file annually to true up its SIB Surcharge collections over the preceding twelve months with the SIB Authorized Revenue for that period and establish a surcharge or credit to true up over or under collections, regardless of whether it seeks a new surcharge. The filing dates for these annual true-ups shall be as established in the Commission's Decision approving the SIB Surcharge.
- C. SIB Surcharge Requests To obtain its SIB Surcharge the Company must file the following:
  - 1. SIB Plant Table II (with supporting information and documentation), showing the SIB eligible projects completed for which the Company seeks cost recovery. Such projects must
    - a) be projects listed in the Company's initial SIB Plant Table I, approved in Decision No. \_\_\_\_, or have been added to said SIB Plant Table I pursuant to Section V of this POA;
    - b) have been completed by the Company;
      - have been verified; and
    - d) be acqually serving customers.
  - 2. A summary of Commission approved SIB-eligible projects contemplated for the next-twelve (12)-month SIB surcharge period from SIB Plant Table I.

SIB Schedule A (sample attached as Exhibit 3), showing a calculation of the SIB Revenue Requirement and SIB Revenue Requirement Efficiency Credit, SIB Authorized Revenue, Gross SIB Surcharge, SIB Surcharge Efficiency Credit, and the SIB Surcharge. Schedule A shall be supported by revenue requirements schedules supporting the revenue requirements in Decision No. \_\_\_\_\_ and the pro-forma revenue requirements including the effects of SIB Eligible Plant.

4. SIB Schedule B (sample as attached Exhibit 4) showing the overall SIB True-up Adjustment calculation for the prior twelve-month SIB Surcharge period, as well as the individual SIB True-up Adjustment for each meter size.

- 5. SIB Schedule C (sample as attached as Exhibit 5) showing the effect of the SIB Surcharge on a typical residential customer bill for both median and average usage.
- 6. SIB Schedule D (sample as attached Exhibit 6) which shall include an analysis of the impact of the SIB Eligible Plant on the fair value rate base, revenue, and the fair value rate of return The Company shall also file the following:
  - a) the most current balance sheet at the time of the filing;
  - b) the most current income statement;
  - c) an earnings test schedule:
  - d) a rate review schedule (including the incremental and pro forma effects of the proposed increase);
  - e) an adjusted raise base schedule; and
  - for each project showing accumulation of charge by month and paid vendor invoices).
- D. The Company will maintain and provide Excel schedules with formulae intact supporting the recommendation of the supporting the recommendation of the supporting the recommendation of the supported the SIB and provide same likely schedules to incorporate the effects of SIB Eligible Plant for the current SIB Surcharge Request and any previously approved Surcharge and True-up requests.
- E. Company may make its initial SIB Surcharge Request through Docket Counted no earlier than twelve months after the entry of Decision No.\_\_\_\_\_.
- F. The Company may make no more than one SIB Surcharge Request every twelve months with no more than five SIB Surcharge Requests between rate case decisions. A True-up must be filed with each Surcharge Request, except the first.
- G. Unless otherwise authorized by the Commission, the Company shall be required to file its next general rate case no later than June 30, 2019, with a test year ending no later than December 31, 2018.

- H. Any SIB Surcharges that are in effect shall be reset to zero upon the date new rates become effective in the Company's next general rate case.
- I. The Company may request to add Plant to SIB Table I only under emergency circumstances. Any additions or modifications to SIB Plant Table I must be approved by the Commission.

#### SURCHARGE CALCULATIONS IV.

- Calculations of Amounts to Be Collected By the SIB Surcharge A.
  - The amount to be collected by the SIB Authorized Revenue shall be equal 1. to the SIB Revenue Requirement minus the SIB Revenue Requirements Efficiency Credit plus and SIB True up Adjustment.

For purposes of calculating the SIB Revenue Requirement:

|              |  |  | ASSESSED OF THE PROPERTY OF TH |                   |          |
|--------------|--|--|--|-------------------|----------|
|              | All the  |  |  |                   |          |
| a.           | The requir   | ed rate of re  | turn is equal  | to the overall r  | rate of  |
|              |  | orized in Dec  |  |                   |          |
|              | VA W   |  |  |                   |          |
| 1.           | m- \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \   |  |  |                   |          |
| D.           | ALCOHOLD .   | AND THE CONTRACTOR OF THE CONT | VALUE STREET   | tax multiplier is | •        |
|              | to the gr  | oss devenue  | conversion   | factor/tax mu     | ltiplier |
|              | approvedi  | n Decision N   | o ; an   | d                 | -        |
|              | W 11   |  |  |                   |          |
|              |  | 1_ 1   | _:_4:  | 1 <i>4</i>        | 41       |
| C.           | AND SHOULD AND SHOULD S | 49920995.  | ,  | s) is equal t     | o the    |
|              | depreciation   | on rate(s) app   | roved in Deci  | sion No           |          |
|              |  |  |  |                   |          |
| The project  | teest to be us   | ed in calcula  | ting the SIR   | Revenue Requir    | rement   |
|              |  |  |  |                   |          |
|              |  |  |  | SIB Plant Tabl    |          |
|              |  |  |  | Table I as appro  |          |
| Decision     | o Ur   | it costs shall   | be used if a   | ctual units const | ructed   |
| are less tha | n estimated in   | SIB Plant Ta   | ble I.   |                   |          |
|              |  |  |  |                   |          |

The amount to be collected by each SIB Surcharge Request shall be

capped annually at five percent of the revenue requirement authorized in

B. Reconciliation And True-Ups

Decision No.

3.

1. The revenue collected by the total SIB Surcharges over the preceding twelve months shall be trued-up and reconciled with the SIB Authorized Revenue for that period.

- 2. A new SIB Surcharge shall be combined with an existing SIB Surcharge such that a single SIB surcharge and SIB Efficiency Credit are shown on a customer's bill.
- 3. For each twelve (12) month period that a SIB surcharge is in effect, the Company shall reconcile the amounts collected by the SIB Surcharge with the SIB Authorized Revenue, for that twelve (12)-month period, consistent with Schedule B, attached hereto as Exhibit B.
- 4. Any under- or over-collected SIB Authorized Revenues shall be recovered or refunded, without interest over a twelve-month period by means of a SIB True-up Surcharge or Gredit.
- 5. Starting with the second annual SIB Surcharge, where there are over or under-collected balances, such over of under-collected balances shall be carried over to the next year, and considered in the calculation of the new SIB True-up Surcharge or Credit. If, after the five-year period there remains an over or under-collected balance, such balance shall be reset to zero, and addressed in the next rate case.

# C. Earnings less

1. Once a SIB Surcharge is in effect, the Company shall be required to perform an annual earnings test calculation for each SIB Surcharge Request to determine whether the actual rate of return reflected by the operating income for the affected system or division for the relevant 12-month period exceeded the most recently authorized fair value rate of return for the affected system or division.

The earnings test shall be:

- based on the most recent available operating income,
- b) adjusted for any operating revenue and expense adjustments adopted in the most recent general rate case; and
- c) based on the rate base adopted in the most recent general rate case, updated to recognize changes in plant, accumulated depreciation, contributions in aid of construction, advances in aid of construction, and accumulated deferred income taxes through the most recent available financial statement (quarterly or longer).

# V. ADDING PROJECTS TO SIB TABLE I UNDER EMERGENCY CIRCUMSTANCES

- A. The Company can seek Commission approval to add projects in SIB Plant Table I only in the event of emergency circumstances. No such changes may be made without Commission approval.
- B. Any addition to SIB Plant Table I must be plant investment that maintains or improves existing customer service, system reliability, integrity and safety. Eligible plant additions are limited to plant replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism.
- C. To be eligible for SIB treatment, a project must be SIB Eligible Plant.
- D. SIB Eligible Plant must satisfy at least one of the following conditions:
  - 1. Water loss for the system exceeds ien (10) percent, as calculated by the following formula ((Volume of Water Produced and/ or Purchased) (Volume of Water Sold + Volume of Water Put to Beneficial Use)) divided by (Volume of Water Produced and/or Purchased). If the Volume of Water Rule to Beneficial Use is not metered, it shall be established in a reliable, verticable manner

Plant assets that have remained in service beyond their useful service lives (based on the Company's system's authorized utility plant depreciation rates), and are in need of replacement due to being worn out or in a deteriorating condition through no fault of the Company;

Any other engineering, operational or financial justification supporting the need for a plant asset replacement, other than the Company's negligence or improper maintenance, including, but not limited to:

- a. Adocumented increasing level of repairs to, or failures of, a plant asset justifying its replacement prior to reaching the end of its useful service life (e.g. black poly pipe);
- b. Meter replacements for systems that have implemented a meter testing and maintenance program in compliance with A.A.C. R14-2-408(E) or the applicable tariff.

- Meters replaced in a system for the purpose of complying with the United States Environmental Protection Agency's Reduction of Lead in Drinking Water Act of 2010; and
- d. Assets that are required to be moved, replaced or abandoned by a governmental agency or political subdivision if the Company can show that it has made a good faith effort to seek reimbursement for all or part of the costs incurred.

### VI. RATE DESIGN

- A. The SIB Surcharge rate design shall be calculated as follows:
  - The SIB Surcharge shall be a fixed monthly surcharge containing a Gross SIB Surcharge and the SIB Surcharge Efficiency Credit as its two components.
  - The SIB Surcharge shall be calculated by dividing the SIB Authorized Revenue by the number of equivalent active 5/8-inch meters at the end of the most recent twelve (12) month period, and shall increase with meter size based on the following meter capacity multipliers:

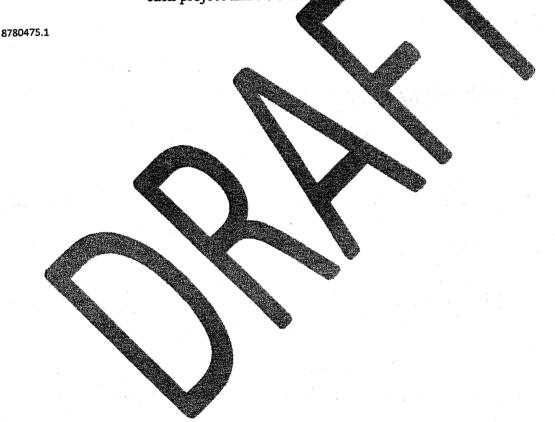
| •  | 8-inch          | x inch     | 10 times  |
|--|-----------------|------------|-----------|
|  | x-inch          |            | times     |
|  | 1-inch          |            | 2.5 times |
|  | 1½-inch         |            | 5 times   |
|  | 2-inch          |            | 8 times   |
| A CONTRACTOR OF THE PARTY OF TH | 3-inch          |            | 16 times  |
|  | 4-inch          |            | 25 times  |
|  | 6-inch          |            | 50 times  |
|  | 8-inch          |            | 80 times  |
|  | 10-inch         | 7          | 115 times |
|  | 12-inch         | & above    | 215 times |
|  | Characterist To | 4000000000 |           |

B. The SIB Surcharge shall apply to all of the Company's metered customers, including private fire service customers.

### VII. SURCHARGE IMPLEMENTATION

A. SIB surcharges shall not become effective until approved by the Commission.

- B. At least 30 days prior to the SIB surcharge becoming effective, the Company shall provide public notice in the form of a billing insert or customer letter in a form acceptable to Staff. Such notice shall include the following information:
  - 1. The individual Gross SIB Surcharge, by meter size;
  - 2. The individual SIB Surcharge Efficiency Credit, by meter size;
  - 3. SIB Surcharge, by meter size; and
  - 4. Directions where the customer way obtain a summary of the projects included in the current SIB Surcharge Request, including a description of each project and its cost.



# LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. Docket No. SW-01428A-13-0042 et al. Calculation of Overalt SIB Revenue Requirement and Individual Surcharge As of December 31, 2013

SIB Schedule A

| lal (v) | WATER DIVISION   | \$ 12,622,779   | 5.00%             | \$ 631,139                          | \$ 956,000   | 095'6  | \$ 946,440                     |   | 13.76%                                     | \$ 130,233                          | 2.00%   | \$ 19,120                                 | \$ 5,000   | \$ 14,120  | \$ 144,353  |   | \$ 144,353   | -5.00%                  | \$ (7,218)                                      |
|---------|--|---|-------------------|-------------------------------------|--|--|--------------------------------|---|--|-------------------------------------|---|---|--|--|---|---|--|-------------------------|---|
|         | CALCULATION OF OVERALL SIB REVENUE REQUIREMENT & EFFICIENCY CREDIT | Total Authorized Revenue Requirement - Decision No. XXXXX (based on Final Settlement Schedules) | SIB Revenue Cap % | Net SIB Revenue Cap (In. 2 x in. 4) | SIB-Eligible Plant in Service - Per SIB Table II Summary | Accumulated Depreciation - 1/2-Year Convention (In. 28 x .5) | SIB Rate Base (In. 8 - In. 10) | Required Rate of Return - Decision No. 73736  Weighted Cost of Equity (in. 16 x in. 17):  Weighted Cost of Debt:  1.02% | Pre-Tax Cost of Capital (In. 18 + In. 19): | Required Revenues (in. 12 x in. 21) | Applicable Depreciation Rate - Per Decision No. XXXXX | SIB Depreciation Expense (in. 8 x in. 26) | Less: Depreciation Expense Associated with Applicable Retirements - Per SIB Table II Summary | Net Depreciation Expense - SIBA Eligible Plant (In. 28 - In. 30) | SIB Capital Costs - Pre-Tax Return & Depreciation (In. 23 + in. 32) | Under or Over Recovery from Previous Perfod | Overall SIB Revenue Requirement - Lesser of Net SIB Revenue Cap or SIB Capital Costs | SiB Efficiency Credit % | Overall SiB Efficiency Credit (in. 39 x in. 41) |

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

| [5]        |   | Sib Emicency Credit Individual Annual Fixed Refund by Credit Meter Size | (0.02) (2.231.15)<br>(0.05) (3.499.22)<br>(0.09) (220.46)<br>(0.15) (1,120.01)<br>(0.30) (102.27)<br>(0.95) (54.55)<br>(1.52) (54.55)<br>(2.18) (2.18)<br>\$ (7.218)<br>\$ (7.218)<br>\$ (7.218)  |   |
|------------|---|---|---|---|
| 1 m        |   |   |   |   |
| Œ          |   | harge<br>Annual<br>Revenue by<br>Meter Size                             | \$ 44,623<br>\$ 69,784<br>4,409<br>\$ 22,400<br>\$ 2,045<br>\$ 1,091<br>\$ 144,353  |   |
| <u>[</u>   |   | SIB Surcharge Individual Ar Fixed Reve                                  | 0.38<br>1.189<br>3.03<br>1.894<br>1.894<br>1.894<br>1.894<br>1.894<br>1.894<br>1.894<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.896<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1.866<br>1. | (7)   |
|            |   |   | C, in 19 + 12)  |   |
| <u>.</u>   | ENCY CREDIT                               | 5/8 x 3/4-inch<br>Equivalent<br>Meters<br>(C X F)                       | 2.5 15,353<br>5 970<br>8 4,928<br>16 450<br>50 240<br>115   | מועשופווו ואופופו (ווו. בנ  |
| <u>(8)</u> | ARGE AND EFFICIENCY CREDIT                | Meter<br>Multiplier   | 1<br>2.5<br>8<br>16<br>25<br>50<br>80<br>115<br>115<br>44-inch Equivale   | 76 X 3/4-IIIGII E.Y   |
| Æ.         | FIXED SURCHAR                             | No. of<br>Customers<br>12/31/2012                                       | 9,817<br>6,141<br>194<br>616<br>-<br>18<br>-<br>16,789<br>ent (p. 1, ln. 32)<br>rcharge Per 5/8 x 3   | iciency Crean ren   |
|            | CALCULATION OF INDIVIDUAL SIB FIXED SURCH | Customer Meter Size   | 5/8 x 3/4-inch and 3/4-inch 6,147 1-inch 6,141 2-inch 6,141 2-inch 6,16 3-inch 18 8-inch 78 10-inch 79 10-inch 79 10-inch 78 10-inch 79 10-inch  | Individual SIB Fixed Efficiency Credit Per 5/8 x 3/4-find Equivalent weter (in. 20 + 501. C, in. 15 + 15) |

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

SIB Schedule B

<u>@</u>

₹

| WATER DIVISION   | \$ 144,353   | \$ (7,218)   | \$ 137,135   | \$ 125,000  | \$ (10,000)  | \$ 115,000   | 22,135   |
|--|--|--|--|---|--|--|--|
| CALCULATION OF OVERALL SIB REVENUE TRUE-UP FROM PRIOR 12-MONTH SIBA SURCHARGE PERIOD | Overall SIB Revenue Requirement from Prior 12-Month SIB Surcharge Period | Overall SIB Efficiency Credit from Prior 12-Month SIB Surcharge Period | Total SIB Revenue Requirement Net of Efficiency Credit - Prior 12-Month SIB Surcharge Period | Total SIB Surcharge Revenues from Prior 12-Month SIB Surcharge Period | Total SIB Efficiency Credit Refunds from Prior 12-Month SIB Surcharge Period | Total SiB Surcharge Revenues Net of Efficiency Credit from Prior 12-Month SiB Surcharge Period | Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (in. 6 - in. 12) |

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. Docket No. SW-014284-13-0042 et al.

| ਲੋ | /idual | - Indi     | and            | neut               | ijen                    |                             | 2 g                                   | Very 1                                      | 2 8  | 1 S S S   | Z Z .  | įδį   | o to   |   |  | \$ 6 Z   | -  |   | DOCKET NO. SVV-U1420A-13-0042 et al. | Calculation of Overall SIB Revenue Requirement and Individual Surcha | A. af December 34, 3043 |
|----|--------|------------|----------------|--------------------|-------------------------|-----------------------------|---------------------------------------|---|--|---|--|---|--|---|--|--|--|---|--------------------------------------|--|-------------------------|
|    | ਡੌ     | ridual Sur | Individual Sur | and Individual Sur | nent and Individual Sur | lirement and Individual Sur | ii.<br>Requirement and Individual Sui | er ar.<br>ue Requirement and Individual Sur | udz et al.<br>venue Requirement and Individual Sul | ১-৩০৭১ et al.<br>Revenue Requirement and Individual Sul | 2A-13-0442 et al.<br>SIB Revenue Requirement and Individual Sul<br>213 | 14204-13-0042 et al.<br>arall SIB Revenue Requirement and Individual Sul.<br>1-2013 | ۲-014-204-15-004.2 et al.<br>Overall SIB Revenue Requirement and Individual Sul<br>صعر 24 2013 | . SW-U 1420A-15-0042 et al. I of Overall SIB Revenue Requirement and Individual Sui | No. SW-U 426A-15-044, et al. Intion of Overall SIB Revenue Requirement and Individual Su | ixet No. SW-U1420A-15-0042 et al. Culation of Overall SIB Revenue Requirement and Individual Sui | Docket No. SWP-U 4269-13-0042 et al. Calculation of Overall SIB Revenue Requirement and Individual Sui | Docket No. SW-014264-13-0042 et al. Calculation of Overall SIB Revenue Requirement and Individual Sur |                                      | ş  |                         |

|  | CALCULATION OF INDIVIDUAL SIB FIXED TRUE-UP SURCHARGE/CREDIT | SURCHARGE/          | CREDIT   |            |    |  |        |   |              |
|--|--|---------------------|--|------------|----|--|--------|---|--------------|
| Customer Meter Size  | No. of<br>Customers<br>12/31/2012                            | Meter<br>Multiplier | 5/8 x 3/4-inch<br>Equivalent<br>Meters<br>(C.X.F.) |            |    | SIB True-U<br>Fixed<br>Surcharge<br>(Credit) | rge /  | SIB True-Up Surcharge(Credit) Fixed Annual Surcharge / Revenue by (Credit) Meter Size | <b>≘</b> ≥ • |
| 5/8 × 3/4-inch   | 9.817  | -                   | 9,817  |            |    | •  | 90.0   | 6   | 843          |
| 1-inch   | 6,141  | 2.5                 | 15,353   |            |    | <del>69</del> (                              | 0.15   | e .   | <u>ا</u> ا   |
| 1 1/2-inch   | 194  | ស                   | 026  |            |    | w e  | 0.29   |   | 3.435        |
| 2-inch   | 616  | ωų                  | 4,928  |            |    | • 69   | 0.93   |   | } ,          |
| 3-inch   | . 85   | 2 <u>c</u>          | 450  |            |    | · <del>69</del>                              | 1.45   | •   | 314          |
| 100  | 2 ,  | 2<br>2              |  |            |    | €9   | 2.90   | 6   | •            |
| 8 inch   | i en   | 8 8                 | 240  |            | ٠. | €  | 4.65   | <b>6</b>  | 167          |
| 10-inch  | •  | 115                 | •  |            |    | €9   | 9.68   | €   |              |
| Totals   | 16,789   |                     | 31,758   |            |    |  | la,    | \$ 22   | 22,135       |
| Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (p. 1, In. 14) | ver)-Collections from  | Prior 12-Month      | SIB Surcharge Period (p.                           | 1, ln. 14) |    | မှ   | 22,135 |   |              |
|  | •  |                     |  | 100        | 1  |  |        |   | 90           |

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

SIB Schedule C

| -<br>-   |               |             | ₹               | [8]                | <u>[]</u>            | <u>o</u>                           | <u>[e]</u>        | E               | [9]        |  |
|--|---------------|-------------|-----------------|--------------------|----------------------|------------------------------------|-------------------|-----------------|------------|--|
|  |               |             |                 |                    | WATER                | WATER DIVISION - 3/4 Inch Customer | h Customer        |                 |            |  |
|  | -             |             | -               | SIB                | SIB                  | SIB<br>True-Up                     | Total             | Net             | Percent    |  |
| Gallons<br>Consumed                                      | •             |             | Present<br>Bill | Fixed<br>Surcharge | Efficiency<br>Credit | Surcharge /<br>(Credit)            | Pro Forma<br>Bill | SIB<br>Increase | SIB        |  |
|  |               | #           | 13.26           | 0.38               | \$ (0.02)            | \$ 0.06                            | \$ 13.68          |                 | 3.2%       |  |
|  |               | <b>&gt;</b> |                 |                    | (0.02)               | 90'0                               | 14.43             |                 | 3.0%       |  |
| 000,0  |               |             | 14.76           | 0.38               | (0.02)               | 90.0                               | 15.18             |                 | 2.8%       |  |
| 3,000  |               |             | 15.51           | 0.38               | (0.02)               | 0.06                               | 15.93             |                 | 2.7%       |  |
| 000,8  |               |             | 17.46           | 0.38               | (0.02)               | 0.06                               | 17.8              |                 | 2.4%       |  |
| 000 1  |               |             | 19.41           | 0.38               | (0.02)               | 90.0                               | 19.8              |                 | 2.2%       |  |
| 000 9  |               |             | 21.36           | 0.38               | (0.02)               | 0.06                               | 21.78             | 3 0.42          | 2.0%       |  |
| 2 000  |               |             | 23.31           | 0.38               | (0.02)               | 0.06                               | 23.7              |                 | 80.<br>10. |  |
| 000 a  |               |             | 25.26           | 0.38               | (0.02)               | 90.0                               | 25.6              |                 | 1.7%       |  |
| 000  |               |             | 27.21           | 0.38               | (0.02)               | 90.0                               | 27.6              |                 | 1.5%       |  |
| 000  |               |             | 29.16           | 0.38               | (0.02)               | 90.0                               | 29.5              |                 | 1.4%       |  |
| 10,000   |               |             | 32.11           | 0.38               | (0.02)               | 90.0                               | 32.5              |                 | 1.3%       |  |
| 000,11   |               |             | 35.06           | 0.38               | (0.02)               | 90.0                               | 35.4              |                 | 1.2%       |  |
| 12,000   |               |             | 38.01           | 0.38               | (0.02)               | 90.0                               | 38.4              |                 | 1.1%       |  |
| 0001   |               |             | 90.04           | 0.38               | (0.02)               | 90.0                               | 41.3              |                 | 1.0%       |  |
| 14,000   |               |             | 43.91           | 0.38               | (0.02)               | 90'0                               | 44.33             |                 | 1.0%       |  |
| 000,61   |               |             | 90.01           | 0.38               | (0.02)               | 90.0                               | 29.0              |                 | 0.7%       |  |
| 20,000   |               |             | 90.69           | 0.38               | (0.02)               | 0.06                               | 91.11             |                 | 0.5%       |  |
|  |               |             |                 |                    |                      |                                    |                   |                 |            |  |
|  |               |             |                 |                    | ı                    |                                    |                   |                 |            |  |
| •  |               |             |                 |                    |                      | • .                                |                   |                 |            |  |
| Residential Bill at Average Consumption of 8,827 Gallons | 8,827 Gallons |             | 26.87           | \$ 0.38            | \$ (0.02)            | \$ 0.06                            | \$ 27.29          | 9 \$ 0.42       | 1.6%       |  |
|  | ,             |             |                 |                    |                      |                                    | •                 | •               | 60         |  |
| Basic Service Charge                                     |               | •7          | 13.26           | \$ 0.38            | \$ (0.02) \$         | 90.0                               | 13.68             | 0.42            | 3.270      |  |
| Commodity Rate Per 1,000 Gallons<br>0 - 3,000 Gallons    |               | •           | 0.7500          | n/a                | n/a                  | n/a                                | n/a               | n/a             | n/a        |  |
| 3,001 - 10,000 Gallons                                   |               | •,          | 1.9500          | n/a                | n/a<br>6/4           | n/a<br>a/a                         | 8 G               | n/a<br>n/a      | n/a<br>n/a |  |
| 10,001 - 20,000 Gallons<br>Over 20,000 Gallons           |               | 7 07        | 3.4560          | g /2               | n/a                  | n/a                                | B/U               | n/a             | n/a        |  |
|  |               |             |                 |                    |                      |                                    |                   |                 |            |  |

DECISION NO. 74437

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. Docket No. SW-01428A-13-0042 et al. Calculation of Overall SIB Revenue Requirement and Individual Surcharge As of December 31, 2013

|  |     |                          |                               |                               | SIB Sch | SIB Schedule D                |                               |                                       |                               |          |                          |
|--|-----|--------------------------|-------------------------------|-------------------------------|---------|-------------------------------|-------------------------------|---------------------------------------|-------------------------------|----------|--------------------------|
|  |     | ₹                        | [8]                           | <u>5</u>                      | Ħ       | [0]                           | <u>[E]</u>                    |                                       | E                             |          | <u>5</u>                 |
|  |     |                          |                               |                               | WATER   | WATER DIVISION                |                               |                                       |                               |          |                          |
|  |     | Per<br>Decision<br>XXXXX | Net SIB<br>Step-1<br>Increase | Net SIB<br>Step-2<br>Increase | Se Se   | Net SIB<br>Step-3<br>Increase | Net SIB<br>Step-4<br>Increase | žαΞ                                   | Net SIB<br>Step-5<br>Increase | <u>a</u> | Pro Forma<br>With<br>SIB |
| Total Operating Revenue  | 49  | 12,622,779 \$            | 137,135 \$                    | •                             | €9      | . <del>69</del><br>I          |                               | G                                     | •                             | 69       | 12,759,914               |
| Operating Expenses Operations & Maintenance                                    | ₩.  | 4,952,963 \$             |                               | •                             | · 69    | 67                            | , ,                           | ø                                     |                               | €9       | 4,952,963                |
| Uepreciation & Amoritzation Taxes Other than Income                            |     | 553,998<br>1.589.809     | 45.047                        |                               |         |                               | • •                           |                                       |                               |          | 553,998<br>1,634,856     |
| Income Taxes Total Operating Expenses  | မာ  | 9,724,351 \$             | 59,167                        |                               | \$      |                               | •                             | 9                                     | •                             | 65       | 9,783,518                |
| Operating Income (in. 1 - in. 8)   | ₩.  | 2,898,428 \$             | \$ 696'11                     | •                             | 9       | •                             |                               | ss.                                   |                               | 69       | 2,976,397                |
| Interest Expense Weighted Avg. Cost of Debt Interest Expense (in. 13 x in. 19) | 49  | 1.02%<br>336,246 \$      | 1.02%<br>9,613                | 1.02%                         | •       | 1.02%                         | 1.02%                         | <b>%</b><br>%                         | 1.02%                         | •        | 1.02%<br>345,859         |
| Net Income (ln. 10 - ln. 14)   | es. | 2,562,182 \$             | \$ 956,89                     |                               | S       |                               | •                             | 69                                    |                               | es.      | 2,630,538                |
| Rate Base - O.C.L.D.   | 49  | 33,105,506 \$            | 946,440 \$                    |                               | 69      | •                             | •                             | 69                                    | •                             | ₩.       | 34,051,946               |
| Return on Rate Base - O.C.L.D. (in. 10 + in. 19)                               |     | 8.76%                    | 8.24%                         | 0.00%                         |         | 0.00%                         | %00.0                         | 28                                    | 0.00%                         |          | 8.74%                    |
| Authorized Return on Rate Base   |     | 8.76%                    | 8.76%                         | 8.76%                         |         | 8.76%                         | 8.76%                         | *                                     | 8.76%                         |          | 8.76%                    |
| Capital Structure<br>Debt %<br>Equity %  |     | 15.87%<br>84.13%         | 15.87%<br>84.13%              | 15.87%<br>84.13%              |         | 15.87%<br>84.13%              | 15.87%<br>84.13%              | · · · · · · · · · · · · · · · · · · · | 15.87%<br>84.13%              |          | 15.87%<br>84.13%         |
| Total Equity (in. 19 x in. 27)   | 69  | 27,851,662 \$            | 796,240 \$                    | •                             | €9      | <b>€</b>                      | •                             | <b>69</b>                             |                               | 69       | 28,647,902               |

1.02% 345,859

8.74% 8.76% 15.87% 84.13%

9.20% 9.18%

9.20% 0.00%

9.20% 0.00%

9.20% 0.00%

9.20% %00.0

9.20% 8.58%

9.20% 9.20%

4,952,963 2,641,701 553,998 1,634,856 9,783,518

Return on Equity (Ln. 16 + ln. 29) Authorized Return on Equity DECISION NO. \_\_\_\_

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|      |   |          |

### I. GENERAL DESCRIPTION

| This document is the Plan of Administration ("POA") for the System Improvement Benefit            |
|---|
| ("SIB") Mechanism approved for the Wastewater Division of Liberty Utilities (Litchfield Park      |
| Water & Sewer) Corp. ) ("Company") by the Arizona Corporation Commission ("ACC" or                |
| "Commission") in Decision No on The SIB provides for recovery of the capital                      |
| costs (return on investment, income taxes and depreciation expense) associated with collection    |
| system improvement projects listed in SIB Plant Table I hat have been verified to be              |
| completed and placed in service per SIB Plant Table II and where costs have not been included     |
| in rate base for recovery in Decision No These operacts are necessary to provide and              |
| continue to provide proper, adequate and reliable service to existing customers; are not designed |
| to serve or promote customer growth; and will not comprise an upgrade or expansion of existing    |
| plant unless justified for existing customers persection V below. Any expenditures offset by      |
| contributions in aid of construction or advances in aid of construction are not eligible for      |
| inclusion in the SIB.   |
|   |

### II. **DEFINITIONS**

- NARUC National Association of Regulatory Utility Commissioners. 0
- SIB System Improvement Benefit mechanism to be implemented between rate 0 proceedings to support investment in plant recorded in SIB Eligible NARUC accounts
- Investments in plant recorded in SIB Eligible NARUC SIB Eligible Plant 0 accounts.

SIB Eligible NARUC accounts:

- NARUC Account No. 361 Collection Sewers Gravity
- ARUC Account No. 363 Services to Customers
- SIB Plant Table (Excerpt attached as Exhibit 1) The schedule of planned SIB 0 eligible projects approved in the Company's most recent rate case decision.

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DECISION NO.

Acceptable forms of verifications may include the Maricopa County Environmental Services Department Approval of Construction, a Professional Engineer's Certificate of Completion, etc.

### DOCKET NO. SW-01428A-13-0042 ET AL.

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Plan of Administration
System Improvement Benefit Mechanism ("SIB")-Wastewater
Docket No. SW-01428A-13-0042

- o SIB Plant Table II (Sample attached as Exhibit 2) The schedule of completed and verified SIB eligible projects, from SIB Plant Table I and associated retirements.
- SIB Revenue Requirement The revenue requirement equal to the return on investment, income taxes and depreciation expense necessary to support the SIB Plant Table II amounts.
- o SIB Revenue Requirement Efficiency Credit. An amount equal to 5 percent of the SIB Revenue Requirement.
- o SIB Authorized Revenue Amount equal to the SIB Revenue Requirement less the SIB Revenue Requirement Efficiency Credit plus any SIB True up Adjustment.
- o Gross SIB Surcharge Amount to be shown on customers' bills based on service sizes without consideration to the SIB Surcharge Efficiency Credit.
- SIB Surcharge Efficiency Credit. An amount equal to 5 percent of the Gross SIB Surcharge to be shown on customers, bills.
- SIB Surcharge The amount equal to the Gross SIB Surcharge less the SIB Surcharge Efficiency Credit to be charged based on service size, calculated to recover the SIB Authorized Revenue, to be shown on the customers' bills.
- SIB True-up Adjustment—An amount to adjust for over or under collection of the SIB Authorized Revenues as compared with the total SIB Surcharges collected for the preceding 12 month period. Each true-up shall also analyze the cumulative over or under collections to include a comparison of all past SIB Authorized Revenues, total SIB Surcharges, and prior true-ups to be used in calculation of the SIB true-up surcharge or credit.

### III. SIB RELATED FILINGS

A. Progress Reports – Once a SIB is approved in a decision, the Company must file with Docket Control semi-annual status reports delineating the status of all SIB Eligible Plant, on a project by project basis as listed in SIB Plant Table I, starting 6 months after the decision and every 6 months thereafter.

- B. Reconciliation and True Up Once a SIB Surcharge is implemented, the Company must file annually to true up its SIB Surcharge collections over the preceding twelve months with the SIB Authorized Revenue for that period and establish a surcharge or credit to true up over or under collections, regardless of whether it seeks a new surcharge. The filing dates for these annual true-ups shall be as established in the Commission's Decision approving the SIB Surcharge.
- C. SIB Surcharge Requests To obtain its SIB Surcharge the Company must file the following:
  - 1. SIB Plant Table II (with supporting information and documentation), showing the SIB eligible projects completed for which the Company seeks cost recovery. Such projects must:
    - a) be projects listed in the Company's initial SIB. Plant Table I, approved in Decision No. 7, or have been added to said SIB Plant Table Poursuant to Section V of this POA;
    - b) have been completed by the Company;
    - have been verified; and
    - d) be a mally serving customers.

A summary of Commission approved SIB-eligible projects contemplated to the next welve (12)-month SIB surcharge period from SIB Plant Table

SIB Schedule A (sample attached as Exhibit 3), showing a calculation of the SIB Revenue Requirement and SIB Revenue Requirement Efficiency Credit, SIB Authorized Revenue, Gross SIB Surcharge, SIB Surcharge Efficiency Credit, and the SIB Surcharge. Schedule A shall be supported by to some requirements schedules supporting the revenue requirements in Decision No. and the pro-forma revenue requirements including the effects of SIB Eligible Plant.

4. SIB Schedule B (sample as attached Exhibit 4) showing the overall SIB True-up Adjustment calculation for the prior twelve-month SIB Surcharge period, as well as the individual SIB True-up Adjustment for each service size.

### DOCKET NO. SW-01428A-13-0042 ET AL.

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Plan of Administration
System Improvement Benefit Mechanism ("SIB")-Wastewater
Docket No. SW-01428A-13-0042

- 5. SIB Schedule C (sample as attached as Exhibit 5) showing the effect of the SIB Surcharge on a typical residential customer bill.
- 6. SIB Schedule D (sample as attached Exhibit 6) which shall include an analysis of the impact of the SIB Eligible Plant on the fair value rate base, revenue, and the fair value rate of return. The Company shall also file the following:
  - a) the most current balance sheet at the time of the filing;
  - b) the most current income strement;
  - c) an earnings test schoolie;
  - d) a rate review schedule (including the incremental and pro forma effects of the proposed increase).
  - e) an adjusted rate base schedule; and
  - f) Construction Work in Progress ledger (for each project showing accumulation of charges by month and paid vendor invoices).
- D. The Company will maintain and provide Excel schedules with formulae intact supporting the revenue requirements approved in the rate decision that approved the STB and provide same Excel schedules to incorporate the effects of SIB Eligible Plant for the current SIB Surcharge Request and any previously approved Surcharge and True-up requests.
- E. The Company make its initial SIB Surcharge Request through Docket Control no earlier than twelve months after the entry of Decision No.\_\_\_\_\_.
- F. The Company may make no more than one SIB Surcharge Request every twelve months with no more than five SIB Surcharge Requests between rate case decisions. All Fue-up must be filed with each Surcharge Request, except the first.
- G. Unless otherwise authorized by the Commission, the Company shall be required to file its next general rate case no later than June 30, 2019, with a test year tending no later than December 31, 2018.

### DOCKET NO. SW-01428A-13-0042 ET AL.

Liberty Utilities (Litchfield Park Water & Sewer) Corp.
Plan of Administration
System Improvement Benefit Mechanism ("SIB")-Wastewater
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| H. | Any SIB Surcharges that are in effect shall be reset to zero upon the de | ate 1 | new |
|----|--|-------|-----|
|    | rates become effective in the Company's next general rate case.          |       |     |

| mergency<br>must be |
|---------------------|
|                     |
| 2000                |

## IV. SURCHARGE CALCULATIONS

| A. Calculations of Amounts to Be Collected By the SIB S | Surcharge |
|---|-----------|
|---|-----------|

| 1.  | The amount to be collected by the SIB Authorized Revenue shall be equal  |
|-----|--|
|     | to the SIB Revenue Requirement minus the B Revenue Requirements  |
|     | Efficiency Credit plus and SIB True up Adjustment  |
|     |  |
| *   | For purposes of calculating the SIB Revenue Requirement:   |
|     |  |
|     | a. The required rate of return is equal to the overall rate of   |
|     | return authorized in Decision No   |
|     | TOTAL BUILDING IN DOCUMENT TO STATE OF THE PARTY OF THE P |
|     | The gross revenue conversion factor/tax multiplier is equal  |
|     |  |
| 6   | to the gross nevenue conversion factor/tax multiplier  |
|     | approved in Decision No; and   |
|     |  |
|     | c. The applicable depreciation rate(s) is equal to the   |
|     | depreciation rate(s) approved in Decision No   |
|     |  |
| 2.  | The project cost to be used in calculating the SIB Revenue Requirement   |
| 2   | shall be the lesser of the actual project cost listed in SIB Plant Table II or   |
|     | 110 percent of the estimated cost listed in SIB Plant Table I as approved in   |
|     | Decision No Unit costs shall be used if actual units constructed   |
|     | are less than estimated in SIB Plant Table I.  |
| *** |  |
| 3.  | The amount to be collected by each SIB Surcharge Request shall be  |
| ٥.  | capped annually at five percent of the revenue requirement authorized in   |
|     | Decision No.   |
|     | Decision No  |
|     |  |

### B. Reconciliation And True-Ups

- 1. The revenue collected by the total SIB Surcharges over the preceding twelve months shall be trued-up and reconciled with the SIB Authorized Revenue for that period.
- 2. A new SIB Surcharge shall be combined with an existing SIB Surcharge such that a single SIB surcharge and SIB Efficiency Credit are shown on a customer's bill.
- 3. For each twelve (12) month period that a SIB surcharge is in effect, the Company shall reconcile the amounts collected by the SIB Surcharge with the SIB Authorized Revenue, for that twelve (12) month period, consistent with Schedule B, attached hereto as Exhibit B.
- 4. Any under- or over-collected SIB Authorized Revenues shall be recovered or refunded, without interest, over a twelve-month period by means of a SIB True-up Surcharge or Credit.
- Starting with the second annual SIB Surcharge, where there are over or under collected balances, such over or under-collected balances shall be caused ever to the next year and considered in the calculation of the new SIB True-up Surcharge of Credit. If, after the five-year period there remains an over or under-collected balance, such balance shall be reset to zero, and addiressed in the next rate case.

### Earnings Test

- Once a SIB Surcharge is in effect, the Company shall be required to perform an annual earnings test calculation for each SIB Surcharge Request to determine whether the actual rate of return reflected by the operating accome for the affected system or division for the relevant 12-month period exceeded the most recently authorized fair value rate of requirement requirements.
- 2. The earnings test shall be:
  - a) based on the most recent available operating income,
  - b) adjusted for any operating revenue and expense adjustments adopted in the most recent general rate case; and

c) based on the rate base adopted in the most recent general rate case, updated to recognize changes in plant, accumulated depreciation, contributions in aid of construction, advances in aid of construction, and accumulated deferred income taxes through the most recent available financial statement (quarterly or longer).

# V. ADDING PROJECTS TO SIB TABLE I UNDER EMERGENCY CIRCUMSTANCES

- A. The Company can seek Commission approvable add projects in SIB Plant Table I only in the event of emergency circumstances. No such changes may be made without Commission approval.
- B. Any addition to SIB Plant Table I must be plant investment that maintains or improves existing customer service, system reliability, integrity and safety. Eligible plant additions are limited to plant replacement projects. The costs of extending facilities or capacity to serve new customers are not recoverable through the SIB mechanism
- C. To be eligible for SIB treatment, a project must be SIB Eligible Plant.
- D. SIB Elicular must satisfy at least one of the following conditions:
  - 1. Replacement Plant is necessary to address excessive infiltration and inflow ("I/I") adversely affecting treatment plant, and indicating the probability of sewer system collapse causing a public health and safety hazard.
  - 2. Plant seets that have remained in service beyond their useful service lives (based on the Company's system's authorized utility plant depreciation rates) and are in need of replacement due to being worn out or in a deteriorating condition through no fault of the Company;
  - 3. An other engineering, operational or financial justification supporting the need for a plant asset replacement, other than the Company's negligence or improper maintenance, including, but not limited to:
    - a. A documented increasing level of repairs to, or failures of, a plant asset justifying its replacement prior to reaching the end of its useful service life;

DECISION NO.

b. Assets that are required to be moved, replaced or abandoned by a governmental agency or political subdivision if the Company can show that it has made a good faith effort to seek reimbursement for all or part of the costs incurred.

### VI. RATE DESIGN

- A. The SIB Surcharge rate design shall be calculated as follows:
  - The SIB Surcharge shall be a fixed monthly surcharge containing a Gross SIB Surcharge and the SIB Surcharge Efficiency Credit as its two components.
  - The SIB Surcharge shall be calculated by dividing the SIB Authorized Revenue by the number of equivalent active 4-inch services at the end of the most recent twelve (12) month period, and shall increase with service size based on the following meter capacity multipliers:

### Service Lateral Size Factor

4-inch

ameh

8-inch

10-inch

5

B. The SIB Successful apply to all of the Company's customers.

### VII. SURCHARGI MPLEMENTATION

- A. SIB surcharges shall not become effective until approved by the Commission.
- B. At least 30 days prior to the SIB surcharge becoming effective, the Company shall provide public notice in the form of a billing insert or customer letter in a form acceptable to Stall. Such notice shall include the following information:
  - 1. The individual Gross SIB Surcharge, by service size;
  - 2. The individual SIB Surcharge Efficiency Credit, by service size;
  - 3. SIB Surcharge, by service size; and

4. Directions where the customer may obtain a summary of the projects included in the current SIB Surcharge Request, including a description of each project and its cost.

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LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

SIB Schedule A

| CALCULATION OF OVERALL SIB REVENUE REQUIREMENT & EFFICIENCY CREDIT   |                                    | WASTEWATER DIVISION |
|--|------------------------------------|---------------------|
| Total Authorized Revenue Requirement - Decision No. XXXXX (based on Final Settlement Schedules)  | (S                                 | \$ 10,704,021       |
| SiB Revenue Cap %  |                                    | 2.00%               |
| Net SIB Revenue Cap (in. 2 x in. 4)  |                                    | \$ 535,201          |
| SIB-Eligible Plant in Service - Per SIB Table II Summary   |                                    | \$ 825,800          |
| Accumulated Depreciation - 1/2-Year Convention (in. 28 x .5)   |                                    | 8,258               |
| SIB Rate Base (in. 8 - in. 10)   | in the second                      | \$ 817,542          |
| Required Rate of Return - Decision No. 73736 Weighted Cost of Equity: Revenue Conversion Factor: Pre-Tax Weighted Cost of Equity (in. 16 x in. 17): Weighted Cost of Debt: | 7.74%<br>1.6466<br>12.74%<br>1.02% |                     |
| Pre-Tax Cost of Capital (In. 18 + In. 19):   | 13.76%                             | 13.76%              |
| Required Revenues (In. 12 x In. 21)  |                                    | \$ 112,496          |
| Applicable Depreciation Rate - Per Decision No. XXXXX  |                                    | 2.00%               |
| SIB Depreciation Expense (in. 8 x in. 26)  |                                    | \$ 16,516           |
| Less: Depreciation Expense Associated with Applicable Retirements - Per SIB Table II Summary   |                                    | <br>\$ 5,000        |
| Net Depreciation Expense - SIBA Eligible Plant (in. 28 - in. 30)   |                                    | \$ 11,516           |
| SIB Capital Costs - Pre-Tax Return & Depreciation (In. 23 + In. 32)  |                                    | \$ 124,012          |
| Under or Over Recovery from Previous Period  |                                    | •                   |
| Overall SIB Revenue Requirement - Lesser of Net SIB Revenue Cap or SIB Capital Costs   |                                    | \$ 124,012          |
| SIB Efficiency Credit %  |                                    | -5.00%              |
| Overall SIB Efficiency Credit (in. 39 x in. 41)  |                                    | \$ (6,201)          |

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LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
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As of December 31, 2013

| A SOUND SHEET IN THE STATE OF | [A] [B]   | <u>ত</u>                             | [6]   | E                             | <u>[9]</u>                        |
|---|---|--------------------------------------|---|-------------------------------|-----------------------------------|
| CALCULALIUN OF INDIVIDUAL SIB FIXED SUNCHARGE AND EFFICIENCY  | AND EFFICIENCY OKEDII                                 |                                      | SIB Surcharge   | SIB Efficiency Credit         | oy Credit                         |
| Customer Meter Size   | No. of Total Customers Revenue 12/31/2012 Requirement | Total<br>Efficiency<br><u>Credit</u> | Individual Annual Fixed Revenue by Surcharge Meter Size | Individual<br>Fixed<br>Credit | Annual<br>Refund by<br>Meter Size |
| Total Customers (per Wastewater H-2, Page 1 Settlement Schedule)  | 16,157 \$ 124,012                                     | (6,201)                              | \$ 0.64 \$ 124,012                                      | \$ (0.03)                     | (6,201)                           |
| Totals  | 16,157 124,012  | (6.201)                              | \$ 124,012  |                               | \$ (6,201)                        |
| Overall SIB Revenue Requirement (p. 1, ln. 32)  |   |                                      |   | \$ 124,012                    |                                   |
| Individual SIB Fixed Surcharge Per Customer (In. 20 + col. A, In. Overall SIB Efficiency Credit (p. 1, In. 36)  | (in. 20 + col. A, in. 15 + 12)                        |                                      |   | *<br>(6,201)                  | \$ 0.64                           |
| Individual SIB Fixed Efficiency Credit PerCustomer (In. 24 + col. A, In. 15 + 12)   | smer (ln. 24 + col. A, ln. 15 + 12)                   |                                      |   | n                             | \$ (0.03)                         |

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

SIB Schedule B

CALCULATION OF OVERALL SIB REVENUE TRUE-UP FROM PRIOR 12-MONTH SIBA SURCHARGE PERIOD

Overall SIB Revenue Requirement from Prior 12-Month SIB Surcharge Period

Total SIB Revenue Requirement Net of Efficiency Credit - Prior 12-Month SIB Surcharge Period Overall SIB Efficiency Credit from Prior 12-Month SIB Surcharge Period

Total SIB Surcharge Revenues from Prior 12-Month SIB Surcharge Period

Total SIB Efficiency Credit Refunds from Prior 12-Month SIB Surcharge Period

Total SIB Surcharge Revenues Net of Efficiency Credit from Prior 12-Month SIB Surcharge Period

Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (In. 6 - In. 12)

₹

9

WASTEWATER DIVISION

125,000

(6,201)

124,012

(10,000)

S E

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP. Dockel No. SW-01428A-15-0042 et al.

| and Individual Surc  |                         |
|--|-------------------------|
| Calculation of Overall SIB Revenue Requirement and Individual Surcharg | As of December 31, 2013 |

| SCREDIT                               |
|---------------------------------------|
| IXED TRUE-UP SURCHARGE/CR             |
| CALCULATION OF INDIVIDUAL SIB FIXED ] |
| No.                                   |

|  | [4]  | [8]           | [0]               |                         | <u>o</u>  |         | 亘  |  |
|--|--|---------------|-------------------|-------------------------|---|---------|--|--|
| CULATION OF INDIVIDUAL SIB FIXED TRUE-UP SURCHARGE/CREDIT  | L SIB FIXED TRUE-UI  | P SURCHAR     | SE/CREDIT         |                         |   |         |  |  |
| Customer Meter Size  | No. of<br>Customers<br>12/31/2012  |               |                   |                         | SIB True-UJ<br>Fixed<br>Surcharge (<br>(Credit) | Surch   | arge/(Credit) Annual Revenue by Meter Size |  |
| Per Customer   | 16,157   |               |                   |                         | <b>69</b>                                       | \$ 10.0 | 2,812                                      |  |
|  |  |               |                   |                         |   |         |  |  |
| Totals   | 16,157   |               |                   |                         |   | s.      | 2,812                                      |  |
| Net SIB Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (p. 1, hr. 14) | Surcharge Under/(Over)-Collections from Prior 12-Month SIB Surcharge Period (p. 1, in. 1 | m Prior 12-Mc | onth SIB Surcharg | e Period (p. 1, ln. 14) | <b>67</b>                                       | 2,812   | 00   |  |

Individual SIB Fixed True-Up Surcharge/(Credit) Per Customer (in. 24 + col. A, in. 19 + 12)

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LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
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Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

|                | <u></u>    |                               | Percent<br>SIB<br>Increase                | 1.5%         |
|----------------|------------|-------------------------------|---|--------------|
|                | Ē          |                               | Net<br>SIB<br>Increase                    | 0.62         |
|                |            |                               |   | *            |
|                | 鱼          | ial Customer                  | Total<br>Pro Forma<br><u>Bill</u>         | 40.97        |
|                |            | dent                          | _   | 49           |
|                | [0]        | IVISION - Residential Custome | SIB<br>True-Up<br>Surcharge /<br>(Credit) | 0.01         |
|                | <u>[</u>   | WASTEWATER D                  | SIB<br>Efficiency<br><u>Credit</u>        | \$ (0.03) \$ |
| SIB Schedule C | <b>181</b> |                               | SIB<br>Fixed<br>Surcharge                 | A 120        |
| SIB Sci        | ₹          |                               | Present<br>Bill                           |              |
|                |            |                               | I   | •            |

Average Residential Bill

DECISION NO.

LIBERTY UTILITIES (LITCHFIELD PARK WATER & SEWER) CORP.
Docket No. SW-01428A-13-0042 et al.
Calculation of Overall SIB Revenue Requirement and Individual Surcharge
As of December 31, 2013

SIB Schedule D

|   |    | ₹                                    | <u> </u>                      | <u> </u>                      |                  | 0                             |                  | 回                             |     | ·                             |                 |                          |
|---|----|--------------------------------------|-------------------------------|-------------------------------|------------------|-------------------------------|------------------|-------------------------------|-----|-------------------------------|-----------------|--------------------------|
|   |    |                                      | Ξ.                            |                               | WAST             | WASTEWATER DIVISION           | VISION           | •                             |     |                               |                 |                          |
| , , , , , , , , , , , , , , , , , , ,   |    | Per<br>Decision<br>XXXXX             | Net SIB<br>Step-1<br>Increase | Net SIB<br>Step-2<br>Increase |                  | Net SIB<br>Step-3<br>Increase |                  | Net SIB<br>Step-4<br>Increase |     | Net SIB<br>Step-5<br>Increase | <b>S</b>        | Pro Forma<br>With<br>SIB |
| Total Operating Revenue   | 49 | 10,704,021 \$                        | 117,812                       | •                             | •                | •                             | 49               | •                             | 69  | •                             |                 | €                        |
| Operating Expenses Operations & Maintenance Depreciation & Amortization Taxes Other than Income | •  | 5,248,021 \$<br>1,622,887<br>553,295 |                               | •                             | •                |                               | ₩                | • • •                         | • • |                               |                 | ₩                        |
| Income Taxes<br>Total Operating Expenses  | 69 | 8,585,970                            | 38,925                        | €                             | 657              |                               | 67               | 1.                            | 6   |                               |                 | 69                       |
| Operating Income (in. 1 - in. 8)  | 69 | 2,118,051                            | \$ 67,371                     | <b>€</b>                      |                  |                               | €                |                               | 65  |                               |                 | ₩                        |
| Interest Expense<br>Weighted Avg. Cost of Debt<br>Interest Expense (In. 13 x In. 19)            | 49 | 1.02%<br>245,700 \$                  | 1.02%<br>\$ 8,304             | ·                             | 1.02%            | 7                             | 1.02%            | 1.02%                         |     | 1.02%                         | 9               | 69                       |
| Net Income (In. 10 - In. 14)  | 69 | 1,872,351                            | \$ 59,067                     | •                             |                  |                               | 69               |                               | 69  |                               |                 | 69                       |
| Rate Base - O.C.L.D.  | ₩  | 24,190,673                           | \$ 817,542                    |                               | •                |                               | <b>↔</b>         |                               | 49  | •                             | ••              | 49                       |
| Return on Rate Base - O.C.L.D. (In. 10 + in. 19)  |    | 8.76%                                | 8.24%                         |                               | 0.00%            | 0                             | 0.00%            | 0.00%                         | 9   | %00.0                         | l <sub>se</sub> | 1                        |
| Authorized Return on Rate Base  |    | 8.76%                                | 8.76%                         |                               | 8.76%            | 80                            | 8.76%            | 8.76%                         | 9   | 8.76%                         | ×.              |                          |
| Capital Structure<br>Debt %<br>Equity %   |    | 15.87%<br>84.13%                     | 15.87%<br>84.13%              |                               | 15.87%<br>84.13% | 15.8<br>84.1                  | 15.87%<br>84.13% | 15.87%<br>84.13%              | % % | 15.87%<br>84.13%              | % %             |                          |
| Total Equity (In. 19 x In. 27)  | 49 | 20,351,613                           | \$ 687,798                    | ,<br>,<br>, <b>, ,</b>        | <b>€</b> >       |                               | ↔                | •                             | •   | •                             | 69              |                          |
| Authorized Return on Equity   |    | 9.20%                                | 9.20%                         |                               | 9.20%            | 6                             | 9.20%            | 9.20%                         | ×2  | 9.20%                         | %               |                          |
| Return on Equity (Ln. 16 + ln. 29)  |    | 9.20%                                | 8.59%                         |                               | 0.00%            | 0                             | 0.00%            | 0.00%                         | *   | 0.00%                         | %               |                          |

# WATER DIVISION

| MONTHLY MINIMUM CHARGE (All Classes): 5/8" x 3/4" Meter 3/4" Meter 1" Meter - Residential 1" Meter 1 1/2" Meter 2" Meter 3" Meter   | \$        | 13.26<br>13.26<br>29.84<br>33.15<br>66.30<br>106.08<br>212.16  |
|---|-----------|--|
| 4" Meter 6" Meter 8" Meter – Bulk Water Only 8" Meter 10" Meter 12" Meter   |           | 331.50<br>663.00<br>575.00<br>1,060.80<br>1,524.90<br>2,850.90 |
| COMMODITY CHARGE – Per 1,000 Gallons:  5/8 x 3/4-Inch Meter - Residential  0 gallons to 3,000 gallons  3,001 gallons to 10,000 gallons  10,001 gallons to 20,000 gallons  Over 20,000 gallons | \$        | 0.750<br>1.950<br>2.950<br>3.456                               |
| 3/4-Inch Meter - Residential 0 gallons to 3,000 gallons 3,001 gallons to 10,000 gallons 10,001 gallons to 20,000 gallons Over 20,000 gallons  | \$        | 0.750<br>1.950<br>2.950<br>3.456                               |
| 5/8 x 3/4-Inch Meter - Commercial and Irrigation<br>0 gallons to 9,000 gallons<br>Over 9,000 gallons  | \$        | 1.950<br>3.456   |
| 3/4-Inch Meter - Commercial and Irrigation 0 gallons to 9,000 gallons Over 9,000 gallons  | \$        | 1.950<br>3.456   |
| 1-Inch Meter – Residential 0 gallons to 5,000 gallons 5,001 gallons to 19,000 gallons 19,001 gallons to 30,000 gallons Over 30,000 gallons  | <b>\$</b> | 0.750<br>1.950<br>2.950<br>3.456                               |

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| 1-Inch Meter - All Classes except Residential |    |       |
|---|----|-------|
| 0 gallons to 20,000 gallons                   | \$ | 1.950 |
| Over 20,000 gallons                           |    | 3.456 |
|   |    |       |
| 1 1/2-Inch Meter – All Classes                |    |       |
| 0 gallons to 40,000 gallons                   | \$ | 1.950 |
| Over 40,000 gallons                           |    | 3.456 |
|   |    |       |
| 2-Inch Meter – All Classes                    |    |       |
| 0 gallons to 60,000 gallons                   | \$ | 1.950 |
| Over 60,000 gallons                           |    | 3.456 |
|   |    |       |
| 3-Inch Meter – All Classes                    |    |       |
| 0 gallons to 120,000 gallons                  | \$ | 1.950 |
| Over 120,000 gallons                          |    | 3.456 |
|   |    |       |
| 4-Inch Meter – All Classes                    |    |       |
| 0 gallons to 180,000 gallons                  | \$ | 1.950 |
| Over 180,000 gallons                          |    | 3.456 |
|   |    |       |
| 6-Inch Meter – All Classes                    |    |       |
| 0 gallons to 360,000 gallons                  | \$ | 1.950 |
| Over 360,000 gallons                          |    | 3.456 |
|   |    |       |
| 8-Inch Meter – Bulk Resale Only               | φ  | 1.650 |
| All gallons                                   | \$ | 1.650 |
| O.Y. D. N. C. All Clauses                     |    |       |
| 8-Inch Meter – All Classes                    | \$ | 1.950 |
| 0 gallons to 650,000 gallons                  | Φ  | 3.456 |
| Over 650,000 gallons                          |    | 3.730 |
| 10-Inch Meter – All Classes                   |    |       |
| 0 gallons to 940,000 gallons                  | \$ | 1.950 |
| Over 940,000 gallons                          | •  | 3.456 |
| Over 940,000 garions                          |    | 3.130 |
| 12-Inch Meter - All Classes                   |    |       |
| 0 gallons to 1,248,000 gallons                | \$ | 1.950 |
| Over 1,248,000 gallons                        |    | 3.456 |
| 0.01 1,2 .0,000 Durion                        |    |       |
| Construction - Hydrants                       |    |       |
| All gallons                                   | \$ | 3.456 |
| $oldsymbol{arphi}$                            |    |       |

**74437**DECISION NO. \_\_\_\_\_

### **SERVICE LINE AND METER INSTALLATION CHARGES:**

(Refundable Pursuant to A.A.C. R14-2-405)

|                    | Service Line | Meter Installation | Total        |
|--------------------|--------------|--------------------|--------------|
| 5/8" x 3/4" Meter  | \$ 445.00    | \$ 155.00          | \$<br>600.00 |
| 3/4" Meter         | 445.00       | 255.00             | 700.00       |
| 1" Meter           | 495.00       | 315.00             | 810.00       |
| 1-1/2" Meter       | 550.00       | 525.00             | 1,075.00     |
| 2" Turbine Meter   | 830.00       | 1,045.00           | 1,875.00     |
| 2" Compound Meter  | 830.00       | 1,890.00           | 2,720.00     |
| 3" Turbine Meter   | At Cost      | At Cost            | At Cost      |
| 3" Compound Meter  | At Cost      | At Cost            | At Cost      |
| 4" Turbine Meter   | At Cost      | At Cost            | At Cost      |
| 4" Compound Meter  | At Cost      | At Cost            | At Cost      |
| 6" Turbine Meter   | At Cost      | At Cost            | At Cost      |
| 6" Compound Meter  | At Cost      | At Cost            | At Cost      |
| 8" & Larger Meters | At Cost      | At Cost            | At Cost      |
|                    |              |                    |              |

| HYDRANT | METER I | DEPOSIT:* |
|---------|---------|-----------|
|         |         |           |

| 5/8" x 3/4" Meter  |  | \$<br>135.00 |
|--------------------|--|--------------|
| 3/4" Meter         |  | 215.00       |
| 1" Meter           |  | 255.00       |
| 1 1/2" Meter       |  | 465.00       |
| 2" Turbine Meter   |  | <br>965.00   |
| 2" Compound Meter  |  | 1,690.00     |
| 3" Turbine Meter   | and the state of t | 1,470.00     |
| 3" Compound Meter  |  | 2,265.00     |
| 4" Turbine Meter   |  | 2,350.00     |
| 4" Compound Meter  |  | <br>3,245.00 |
| 6" Turbine Meter   | in the second of | 4,545.00     |
| 6" Compound Meter  |  | 6,280.00     |
| 8" & Larger Meters |  | At Cost      |

<sup>\*</sup> Shall have a non-interest bearing deposit of the amount indicated, refundable in its entirety upon return of the meter in good condition and payment of the final bill.

### **MISCELLANEOUS SERVICE CHARGES:**

| Establishment                       | \$<br>20.00 |
|-------------------------------------|-------------|
| Re-Establishment (Within 12 Months) | (a)         |
| Reconnection                        | \$<br>20.00 |
| Meter Test (if correct)             | 25.00       |
| Meter Re-read (if correct)          | 5.00        |
| Fire Hydrant Meter Relocation       | 50.00       |
| Fire Hydrant Meter Repair           | At Cost     |
| Deposit                             | (b)         |
| Deposit Interest                    | 6.00%       |
| NSF Check                           | \$<br>25.00 |

DECISION NO. \_\_\_\_**74437** 

### DOCKET NO. SW-01428A-13-0042 ET AL.

| Deferred Payment, Per Month           | 1.50%       |
|---------------------------------------|-------------|
| Late Charge                           | (c)         |
| After Hours Service Charge, Per Hour* | \$<br>40.00 |

- (a) Number of full months off the system times the monthly minimum, per A.A.C. R14-2-403(D).
- (b) Per A.A.C. R14-2-403(B). Residential two times the average monthly bill. Non-residential two and one half times the average monthly bill.
- (c) Greater of \$5.00 or 1.50% of unpaid balance.
- \* For After Hours Service Calls for work performed on the customer's property after hours, at customer's request. In addition to the charge for any utility service provided.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX, PER A.A.C. R14-2-409(D)(5).

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## **WASTEWATER DIVISION**

| MONTHLY SERVICE:  |          |          |
|---|----------|----------|
| Residential:  |          |          |
| Residential Service                                     | \$       | 40.35    |
| Low Income Residential Service                          |          | 34.30    |
| Multi-Unit Housing – Monthly per Unit                   |          | 37.46    |
| Commercial:   |          |          |
| Small Commercial Service - Monthly                      | \$       | 68.24    |
| MEASURED SERVICE:                                       |          |          |
| Regular Domestic:                                       |          |          |
| Monthly Service Charge                                  | \$       | 38.20    |
| Commodity Charge per 1,000 gallons                      |          | 3.33     |
| Restaurant, Motel,* Grocery Store, Dry Cleaning Estab.: |          |          |
| Monthly Service Charge                                  | \$       | 38.20    |
| Commodity Charge per 1,000 gallons                      |          | 4.45     |
| Wigwam Resort:  |          |          |
| Monthly Rate – Per Room                                 | \$       | 37.46    |
| Main Hotel Facilities - Per Month                       |          | 1483.47  |
| Schools - Monthly Service Rates:                        |          |          |
| Elementary Schools                                      | \$       | 1,008.75 |
| Middle Schools  | Ψ        | 1,186.77 |
| High Schools  |          | 1,186.77 |
| Community College                                       |          | 1,839.50 |
| DEED TIPME CALES.                                       |          |          |
| EFFLUENT SALES: Charge Per 1,000 gallons                | \$       | **       |
| Charge for 1,000 ganons                                 | <b>D</b> | ***      |

<sup>\*</sup>Motels without restaurants charged Multi-Unit Housing - Monthly per Unit rate

<sup>\*\*</sup>Market Rate – Maximum effluent rate shall not exceed \$430 per acre foot based on a potable water rate of \$1.32 per thousand gallons

### **MISCELLANEOUS SERVICE CHARGES:**

| Establishment                                 | \$<br>20.00 |
|---|-------------|
| Reestablishment (within 12 months)            | (a)         |
| Reconnection                                  | \$<br>20.00 |
| NSF Check                                     | \$<br>25.00 |
| Deferred payment (per month)                  | 1.50%       |
| Deposit                                       | (b)         |
| Deposit Interest                              | 6.00%       |
| Late Charge                                   | (c)         |
| After Hours Service Charge, Per Hour*         | \$<br>40.00 |
| Service Lateral Connection Charge – All Sizes | (d)         |
| Main Extension Tariff                         | (e)         |

- (a) Number of full months off the system times the minimum charge, per A.A.C. R14-2-603(D).
- (b) Per A.A.C. R14-2-603(B). Residential two times the average monthly bill. Non-residential two and one half times the average monthly bill.
- (c) Greater of \$5.00 or 1.50% of unpaid balance.
- (d) At cost. Customer/Developer shall install or cause to be installed all Service Laterals as a non-refundable contribution in aid of construction.
- (e) Per A.A.C. R14-2-606(B). All Main Extensions shall be completed at cost and shall be treated as non-refundable contributions in aid of construction.
- \* For After Hours Service Calls for work performed on the customer's property after hours, at customer's request. In addition to the charge for any utility service provided.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE TAX, PER A.A.C. R14-2-409(D)(5).